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CONTENTS

22 February 1991

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Common Market Treaty To Be Signed by Mid-March [Buenos Aires TELAM]	1
Mexican Envoy Proposes Closer Ties With Caricom [CANA]	1

CARIBBEAN

Cuba

Exchange of Messages With Baghdad Confirmed [Havana TV]	2
Declaration Issued Condemning Attack on Iraq [Havana Radio]	2
Roa Refutes Charges on Union Movement Activities [Havana Radio]	2
Student Labor Brigade Mobilizations Planned [Havana TV]	3
1990 Sugar Export Figures Released [Havana Radio]	3
HIV Carriers Total '551'; Centers Expanded [Havana TV]	3
Scientists Observe Lithium, Barium Experiment [Havana TV]	3

Dominican Republic

Prosecutor Involved in Drug Trafficking Arrested [Santo Domingo Radio/TV]	3
---	---

Haiti

RDC's Volel Reacts to Cabinet Appointments [Port-au-Prince Radio]	4
Marc Bazin Comments on New Government Policy [Port-au-Prince Radio]	4
Aristide Calls For Respect of Private Property [Port-au-Prince Radio]	4
Four Cubans Rescued in Jeremie; Three Die at Sea [Port-au-Prince Radio]	5

MEXICO

Salinas: Nation Preparing for Free Trade Accord [Mexico City TV]	6
Reaction to Reinstatement of U.S. Tuna Embargo	6
Fisheries Secretariat Responds [Mexico City TV]	6
Carcova Deems Decision 'Unfair' [Mexico City TV]	6

CENTRAL AMERICA

Belize

Honduran President Calls For Closer Caricom Ties [CANA]	7
Honduran Minister Interviewed [Tegucigalpa Radio]	7

El Salvador

Government-FMLN Meeting Ends; No Agreement [Mexico City NOTIMEX]	8
Colonel Vargas Comments [Mexico City NOTIMEX]	8
Villalobos on Negotiations [Mexico City NOTIMEX]	9
Minister Pacas Castro Concludes Tour of Europe [Madrid EFE]	9
FMLN's Handal 'Pleased' With Visit to Germany [Madrid EFE]	10
FMLN Spokesman on Town Occupations, Elections [San Salvador Radio]	10
Poll Shows Arena Leading; People Said Afraid [San Salvador Radio]	11
Kidnapped Mayoral Candidate Reported Released [San Salvador Radio]	11

Guatemala

Minister, Human Rights Head Unharmed in Attack [ACAN]	11
Serrano Offers Help With Missing People [Guatemala City TV]	12
'Powerful' Bomb Explodes at British Embassy [Mexico City NOTIMEX]	13
* Japan Grants \$37 Million Loan [PRENSA LIBRE 20 Dec]	13
* Inflation Up 42 Percent in 1990 [EL GRAFICO 23 Dec]	14
* 1990 Economic Growth Rate 3.7 Percent [DIARIO DE CENTRO AMERICA 4 Jan]	14

Honduras

Maritime Cooperation With Nicaragua Discussed [LA TRIBUNA 19 Feb]	14
---	----

Nicaragua

Czechoslovakia's Calfa, Chamorro Discuss Debt [Prague CTK]	15
Mingob Authorities Investigate Bermudez' Murder [BARRICADA 20 Feb]	15
Assembly Grants \$37 Million Loan [LA PRENSA 16 Feb]	17
Retired Officers Send Letter to Government [Managua Radio]	17

Panama

Interview With PCC Administrator Guardia [EL DIARIO INDEPENDIENTE 18 Feb]	18
Comptroller General on Financial Situation [EL PANAMA AMERICA 12 Feb]	20
Venezuela Refuses To Extradite Former Colonel [CRITICA LIBRE 16 Feb]	21
Grants Safe-Conduct [Panama City TV]	21
Banking Leader Supports Agreement With Britain [CRITICA LIBRE 20 Feb]	22
Private Consortium in Line To Buy State Airline [LA ESTRELLA DE PANAMA 19 Feb]	22
Soviet Requests Asylum; Accepted as 'Guest' [Panama City TV]	22
Former Attorney General Now Under House Arrest [Panama City TV]	22
U.S. Reportedly Dumping Nuclear Waste Off Coast [EL SIGLO 19 Feb]	23

SOUTH AMERICA

Argentina

Foreign Minister on U.S. Position, Resignations [Buenos Aires TV]	24
Communists Condemn 'Imperialist Massacre' in Iraq [CLARIN 20 Feb]	26
Government Expands Pardon for Montonero Leader [BUENOS AIRES HERALD 19 Feb] ...	27
Justice Officials Resign [NOTICIAS ARGENTINAS]	27
National Health Administration Head Resigns [BUENOS AIRES HERALD 19 Feb]	27
General Confederation of Labor Selects New Leader [TELAM]	27
Soviet Water, Pollution Consultants Arrive [TELAM]	27

Bolivia

Police Accused of Blackmail in Finsa Drug Case [Madrid EFE]	28
---	----

Brazil

Collor Visits Antarctic, Comments on Treaty [Brasilia Radio]	28
Returns From Antarctic [Brasilia Radio]	28
Collor's Criticism of Party Performance Denied [Brasilia Radio]	29
Cuba Seeks Rapprochement With Latin America [FOLHA DE SAO PAULO 17 Feb]	29
Autolatina Suspends Layoff of 5,000 Workers [Brasilia Radio]	29
Thousands of Striking Dockers Fired in Santos [Madrid EFE]	29
New Measures Adopted To Reduce Meat Shortage [Rio de Janeiro TV]	29
* Campos Basin Potential, 1990 Reserves Viewed [GAZETA MERCANTIL 29 Dec-2 Jan]	29
* CNI Proposes Accord, Constitutional Revision [O ESTADO DE SAO PAULO 6 Jan]	30
* Rapprochement With Iran in 1990 Viewed [FOLHA DE SAO PAULO 11 Jan]	31
* Growth of Informal Economy in Rio Discussed [FOLHA DE SAO PAULO 11 Jan]	32

Chile

Aylwin Says Rettig Committee Report 'Impressive' [Santiago Radio]	32
Argentine Police Reportedly Harassing Settlers [Santiago Radio]	33
People's Socialist Party Supports Rights Groups [EL MERCURIO 15 Feb]	33

Colombia

Justice Minister Views Constitutional Reform [Bogota Radio]	33
EPL Signs Accord, Steps Toward Civilian Life [EL TIEMPO 17 Feb]	35
Minister De La Calle Comments on War Tax [Bogota TV]	35
Army Takes 4 More FARC Camps, Kills 4 Rebels [Mexico City NOTIMEX]	36
* Counterinsurgency Operations Create Ghost Towns [EL ESPECTADOR 21 Jan]	36
* National Security Adviser on Role; Policy [EL ESPECTADOR 6 Jan]	37

Paraguay

Chilean Foreign Minister Signs Agreement [ABC COLOR 21 Feb]	39
Ministry To Grant Visas to East Bloc Citizens [ABC COLOR 15 Feb]	40
Taiwan Donates Planes, Engines to Air Force [ABC COLOR 21 Feb]	40

Peru

President Fujimori Addresses New Cabinet [Lima TV]	40
Government Begins Drug Negotiations With U.S. [Lima TV]	41
United Left Senator's House Bombed; No Injuries [Lima TV]	41
Terrorists Kill Eight People in Ayacucho [Madrid EFE]	42
Swiss Government Donates Cholera Medicines [Lima TV]	42

Guyana

Government Presents Budget, Devalues Dollar [CANAL]	42
Controversial Voter Registration Exercise Begins [CANAL]	43
Coalition Seeks Election Observers From Caricom [CANAL]	43
IDB Loan To Aid Rice, Sugar Industries [CANAL]	44
Public Service Workers Receive Pay Raise [CANAL]	44
Prison Conditions Reportedly 'National Crisis' [CANAL]	44

Common Market Treaty To Be Signed by Mid-March

PY2202011691 Buenos Aires TELAM in Spanish
2243 GMT 21 Feb 91

[Excerpt] Buenos Aires, 21 Feb (TELAM)—By mid-March the presidents of Argentina, Brazil, Uruguay, and Paraguay will sign a treaty in Asuncion which will mark the beginning of the creation of the Southern Cone Common Market (Mercosur), which will be fully implemented by 1 January 1995.

Representatives of the four governments today initialed the final text of the quadripartite document, which will be called the Treaty of Asuncion after the city in which Presidents Carlos Menem, Fernando Collor, Luis Lacalle, and Andres Rodriguez will sign it between 10 and 20 March, on a date still to be established.

This announcement was made today by Alieto Guadagni, Argentine under secretary for international economic relations, and Juan Schiaretto, under secretary of foreign industry and commerce, during a news conference at the Foreign Ministry.

The three main points of the treaty concern the free movement of goods, merchandise, and production elements; the adoption of zero-level tariffs on trade and the

adoption of a common foreign tariff; and the harmonization of macroeconomic policies and other commercial policies to bring them in step with the rest of the world. [passage omitted]

Mexican Envoy Proposes Closer Ties With Caricom

FL2002194091 Bridgetown CANA in English
1538 GMT 20 Feb 91

[Text] Bridgetown, Barbados, Feb 20, CANA—The new Mexican ambassador to Barbados and the Eastern Caribbean says the Central American state wants to develop closer ties with Barbados and the wider Caribbean, according to a Government Information Service (GIS) release here.

Paying a courtesy call on Barbados Prime Minister Erskine Sandiford Tuesday [19 February], non-resident Ambassador Hector Manuel Ezeta said Mexico would soon seek to bring together regional business and government officials in a seminar to explore joint venture possibilities and ways to develop trade relations.

Sandiford, who welcomed the planned Mexican initiative, said there were many ways in which Barbados and Mexico could maintain peace, development, and growth for their people.

Ezeta was scheduled to leave Barbados Wednesday.

Cuba**Exchange of Messages With Baghdad Confirmed***FL2202021591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 22 Feb 91*

[Report on CNN interview with UN Ambassador Raul Alarcon de Quesada; place and date not given]

[Text] Cuba [words indistinct] contribution to a peaceful solution to the Gulf crisis by confirming the personal messages that President Fidel Castro has sent to Baghdad to urge Iraq to withdraw from Kuwait.

In an interview with CNN, ambassador Ricardo Alarcon de Quesada commented on the negotiations that the Cuban Government had undertaken to avoid the war. He also expressed his hope for the success of the Soviet peace proposal.

Commenting on the U.S. response that the coalition will continue with war operations despite the Soviet negotiations, Alarcon said that there cannot be a withdrawal if one of the parties is still under attack.

He added that if a positive response to the Moscow initiative is received from Baghdad, the UN Security Council should be in charge of implementing [words indistinct] peaceful solution and not a given country or a specific person.

Alarcon said: There should be no deadline. The [UN Security] Council must lead the way to an agreement to halt the war. It is a question of saving thousands of people who otherwise will die in this conflagration.

Declaration Issued Condemning Attack on Iraq*FL2102215291 Havana Radio Reloj Network in Spanish 2035 GMT 21 Feb 91*

[Text] A solidarity ceremony with the Iraqi people, who are being subjected to barbaric U.S. and coalition air attacks, was held this morning at the AALAPSO, Afro-Asian-Latin American People's Solidarity Organization, headquarters in Havana.

Walid 'Abbud 'Abbas, the Iraqi ambassador to Cuba, opened the ceremony by thanking the solidarity shown by AALAPSO, and by the Cuban Government and its people which specifically expressed their support for a diplomatic solution of the Persian Gulf conflict at the UN Security Council.

Among other speakers were Rigoberto Padilla, Honduran Communist Party secretary general; and Claudia Coro, from Argentina, who also expressed their support for the Iraqi people and condemned the indiscriminate attacks.

AALAPSO Secretary General Rene Anillo read an AALAPSO declaration which demands that the guns be replaced by negotiations. The AALAPSO declaration on the Persian Gulf War issued today states that what is

taking place in the Middle East is the imposition of a unipolar world ruled by the United States.

The declaration adds that in view of the barbarian situation and the indiscriminate destruction of a country and its people, a Middle East peace conference must be urgently called to bring peace to this region.

The Latin American Students Continental Organization also condemned the imperialist aggression on the Iraqi people and later a declaration was read by Miguel Hernandez, from Colombia. In this declaration, Latin American parties and organizations condemn the indiscriminate attacks [on Iraq]. The declaration adds that it is evident that the United States and its allies want to destroy Iraq thus openly violating the UN resolutions.

Roa Refutes Charges on Union Movement Activities*FL2202035191 Havana Radio Rebelde Network in Spanish 0000 GMT 22 Feb 91*

[Unattributed report from the "Exclusivo" program]

[Text] Cuba again exercised the right to response today in Geneva by refuting distorted versions on the true situation of unions in Cuba.

Cuban Vice Minister Raul Roa Kouri refuted statements made by the International Confederation of Free Trade Unions [ICTFU] which said that all true unions and labor representations were eliminated by the revolutionary government.

The Cuban diplomat clearly informed the 47th UN Human Rights Commission that it was Fulgencio Batista who suppressed free unions in Cuba in 1952. Roa added that the unions were suppressed by terrorist groups headed by the infamous (Rolando Masferrer) and the scoundrel (Eugenio Mujal). He said these terrorist groups were established to pressure and, in many cases, assassinate true union leaders.

Roa Kouri also said that the revolution has granted a renewed power to the Cuban Workers Federation, CTC, which has been the balwark of the working class since the early 40's and which groups millions of workers.

In his speech, the head of the Cuban delegation stated that the highly positive role of the nongovernmental organization should not be tarnished by ghastly stories like those told this morning which were motivated by either malice or ignorance.

Roa Kouri also denied the ICTFU statement which distorted the patriotic nature of voluntary work. He said millions of Cubans do voluntary work fully aware of its true significance. He explained that as it is known by the Cuban people, those who do not do voluntary work for whatever reason, are not obliged to do so.

Student Labor Brigade Mobilizations Planned

*FL2102151791 Havana Tele Rebelde Network
in Spanish 1200 GMT 21 Feb 91*

[Text] The general staff of the Student Labor Brigades [BET] was formed during a meeting which took place in Havana. This year the BET will take the name "Forward and Fighting." The preparations for the July and August mobilizations will be divided into three phases. From 1 to 15 March, the students' pledges will be made under the slogan "I am the first." The second, to start in April under the name "I am one of those who are going," will be devoted to completing the organizational aspects of the mobilization.

[Begin recording of Roberto Robaina, the secretary general of the Union of Young Communists, UJC] The first thing is that we must mobilize as many as necessary, as many as are needed, but exactly those who are needed. We have no intention of mobilizing a student who then finds in his first days that we have mobilized him for no reason, because then what we wanted to gain politically will be lost with all [words indistinct]. It is preferable for us to mobilize 50,000 if what is needed is 50,000, rather than talking about a goal of 120,000 and of the 120,000 half are going to waste their time for those two weeks. [end recording]

The BET general staff is headed by Juan Contino, head of the Education Department of the UJC National Committee, and made up of representatives of the student organizations and central state administrative bodies.

1990 Sugar Export Figures Released

*FL2102182091 Havana Radio Progreso Network
in Spanish 1725 GMT 21 Feb 91*

[Text] Cuba exported to the international market during the first nine months of 1990 almost seven million tons of sugar. This amount is higher than in 1989 and one of the highest in the last twenty years. Cubazucar, the exterior marketing enterprise, reported that during that period Cuba sold more than 3.5 million tons of sugar to the Soviet Union alone; a higher amount than the previous year.

HIV Carriers Total '551'; Centers Expanded

*FL2102142091 Havana Tele Rebelde Network
in Spanish 1400 GMT 21 Feb 91*

[Text] More than 9,600,000 tests have been made from 1986 to date in search of carriers of the AIDS virus; 250,000 of these tests have been made this year. As of yesterday, 551 people had been diagnosed as carriers of the human immunodeficiency virus. Of these, 400 were men and 151 were women. Of the above figure, 70 have become ill with AIDS and 40 others have already died.

During 1990 and so far in 1991, a trend has been observed of an increase in carriers of the virus among

persons under age 20. Currently, treatment in sanatoriums, which began in Havana, has been expanded to Sancti Spiritus, Granma, Ciego de Avila, Villa Clara, and Guantanamo Provinces. The Ministry of Public Health also plans to open similar centers in Holguin, Santiago de Cuba, and Pinar del Rio Provinces.

Scientists Observe Lithium, Barium Experiment

*FL2202041091 Havana Tele Rebelde and Cuba Vision
Networks in Spanish 0100 GMT 22 Feb 91*

[Gladys Rubio report]

[Text] If on 11 February you observed a reddish cloud about the size of three moons, we would like to inform you that it was the result of the release of lithium in the magnetosphere. A few days later, the experiment was repeated but with barium. A bluish cloud appeared in the same place. It was a bit smaller. It was one-fifth the size of the moon.

This incredible picture taken from our Geophysics and Astronomy Institute, shows the lithium cloud. This picture shows the barium cloud. Both of these experiments were carried out from a U.S. investigations satellite from a distance of 33,000 km.

By releasing lithium and barium [words indistinct] atmosphere the scientists [words indistinct] artificial alterations that allow for the studies of [words indistinct] solar wind which affect world short wave communications.

The experiment was clearly observed in the Caribbean region. In view of this, Cubans and Soviets closely followed [words indistinct] from the Cuban Geophysics and Astronomy Institute. [Words indistinct] other regions of the world, French, German, and U.S. scientists [words indistinct].

The experiment will be repeated next summer. This will undoubtedly allow us to get better acquainted with the enigmatic [word indistinct].

Dominican Republic

Prosecutor Involved in Drug Trafficking Arrested

*FL2102170591 Santo Domingo Radio-Television
Dominicana Radio Network in Spanish 1600 GMT
21 Feb 91*

[Text] Police and judicial authorities have arrested the prosecutor of the justice of the peace office in Sosua, Puerto Plata. He is accused of covering up narcotraffickers who operate in the area. Mario Breton was detained during an operation conducted by police anti-narcotics agents. A large amount of .22-, .45-, and .38-caliber and 9-mm gun shells and a .38-caliber revolver were seized. Cashed checks for 150,000, 140,000, and 90,000 pesos were also seized from the prosecutor who had drafted and signed them.

Haiti

RDC's Volel Reacts to Cabinet Appointments

*FL2102195691 Port-au-Prince Radio Nationale
in French 1130 GMT 21 Feb 91*

[Text] Another reaction, recorded after the inaugural ceremony of the ministerial cabinet, comes from the Christian Democrat Assembly [RDC] of Mr. Eddy Volel.

[Begin recording in Creole] [Volel] According to Jean-Bertrand Aristide, the three major points on which his government is based are militancy, honesty, and competency. Popular wisdom says: Cock in tree does not sing the same way as cock on floor. Is the president we now have the same person we elected on 16 December and defended on 7 January? We in RDC are appalled to hear Aristide saying that he has married the Army for love, the Army created by Duvalier, the Army which has always tortured the Haitian people.

All the members of the ministerial cabinet, including the prime minister, are unknown third-rate militants. Why does the government leave well-known militants like Jean-Auguste Mezyeux, Patrick Beauchard, Chavannes Jean-Baptiste, Antoine Izmeri, etc. behind? We are not begging jobs. We are defending democracy.

When he is appointing, when he is flirting with the people's enemies, when he is hiding behind the prime minister, Aristide forgets all about the democratic convictions he had. He is demagoguing. The fork of demagoguery does not drink the soup of democracy.

Article 221 of the Constitution forbids someone from holding more than one public position remunerated by the state. The prime minister holds three ministerial posts, thus three public positions. The government has therefore broken the Constitution. It is too much violation too soon. When he is pushing militancy, and pushing aside the people's elements, Aristide is applying Francois Duvalier's principle which states: In politics, gratefulness is cowardice.

RDC is asking the Haitian people not to demobilize because the Aristide government has broken its own promises by appointing state employees who are not militants [as heard], and by keeping state employees who are well-known former macoutes. [end recording]

Marc Bazin Comments on New Government Policy

*FL2202004591 Port-au-Prince Radio Haiti-Inter
in Creole 2100 GMT 20 Feb 91*

[Excerpt] Marc Bazin of the Movement for the Establishment of Democracy in Haiti [MIDH] issued a press release regarding the general policy of the new government. According to a MIDH spokesperson, Marc Bazin noted that the prime minister experienced some difficulties following the presentation of his general policy. When one fully analyses the matter, however, everything seems to be well.

According to Bazin, it was a serious speech and Mr. Preval shows good will and knows all the responsibilities he has on his shoulders. Basically, all the major topics concerning social and economic problems were tackled in Mr. Preval's general policy, even though he did not go into details and only mentioned some of them such as the high cost of living, corruption and reform in state offices, and decentralization. Nevertheless, Marc Bazin hopes that very soon the prime minister will think of converting his general policy into a great action plan in which he would define the orientations of the government. This would help everyone see the government's priorities. A relation between the means that the government would use and the goals of the government needs to be established. The government must also show an interaction that needs to exist among different sectors. The government should define the economic and institutional policy of the managerial staff with new initiatives to be taken to clarify the short and long term goals.

Bazin felt it was too early to make any statements on the composition of the ministerial cabinet. MIDH members do not prejudice anyone. They are waiting to see how well the person will perform the task within the framework of democracy, in keeping with Parliament as well as their attitude in applying the rules. Then people will see if those ministers respect the Constitution and also how efficiently they act while establishing relationships with the Parliament.

Bazin also mentioned his appreciation of the president's invitation to exchange views on the general policy of the government and the cabinet. He sees a will for dialogue between the president and the existing political parties. He hopes that such an initiative will take place every now and then because MIDH will always respond to it.

In conclusion, Marc Bazin pointed out that rumors about MIDH searching for posts in the ministerial cabinet are all false. [passage omitted]

Aristide Calls For Respect of Private Property

*FL2102231091 Port-au-Prince Radio Soleil Network
in Creole 1200 GMT 20 Feb 91*

[Text] The private secretariat of Father Jean-Bertrand Aristide asks everyone to respect Article 36 of the Constitution which states no one has rights over another person's property. The private secretariat of the president of the Republic notes that some people are encroaching on property which does not belong to them. These practices do not comply with the justice for all objective which is one of President Father Jean-Bertrand Aristide's premises.

In light of this situation, the private secretariat asserts that the government will respect private property as provided for by Article 36 of the 1987 Constitution. The secretariat reminds everyone that private property carries obligations. This is set out in Article 36-3. The secretariat asks the people not to use pretexts taken by others to commit illegal acts in occupying land which

does not belong to them, in occupying houses which do not belong to them in an attempt to cause confusion for everyone.

Four Cubans Rescued in Jeremie; Three Die at Sea

*FL2202030091 Port-au-Prince Radio Soleil Network
in Creole 1200 GMT 20 Feb 91*

[Jean-Elder Almeus report from Jeremie]

[Text] A small boat carrying four Cubans ran aground in Jeremie Bay on 19 February at around 1900. According to their statements, seven people set off in a small boat from Cuba to the United States. The currents were

strong and the ocean was choppy. They spent 10 days on the open water. Three persons died at sea, while the other four reached Jeremie Bay last night.

The police have filed a report. The survivors were taken to the Saint-Antoine Hospital in serious condition. We point out that the survivors included two men, one woman, and a child: Luis Gonzales Vasquez, a 42-year old man; Emilio Suales, a 27-year old man; Belquiz Belasco, a 22-year old woman; and her five-year old son, Ernesto Gonzales. We report that two of them are so weak that they are being fed intravenously at the Saint-Antoine Hospital in Jeremie. The others say they will not go back home to Cuba. They did not say why.

Salinas: Nation Preparing for Free Trade Accord*PA2002231991 Mexico City Red Nacional 13
Imevision Television 1300 GMT 20 Feb 91**[Roberto Garduno report]**[Text] Our country is seeking reciprocity in the negotiations for a free trade agreement with the United States and Canada. That is why an opening for national exporters is essential to our economy, said President Carlos Salinas de Gortari.*

Mexico is preparing for the challenges and opportunities that have been presented during these times of change. That is why the government is acting prudently, strengthening our foreign exchange with the creation of a contingency fund and being cautious with the spending budget.

During a luncheon with Mexican importers and exporters, President Carlos Salinas de Gortari outlined the economic achievements of our country, which has allowed us to progress along the path of reconciliation.

[Begin Salinas recording] We have made our economy grow even beyond our expectations. We have lowered the deficit, something not done in 25 years. We have made progress in the fight against inflation, we have taken part in intense dialogue, and we have taken quick action. [end recording]

During the event, Jaime Serra Puche, secretary of commerce and industrial development, announced a 28-point program that contains measures to deregulate fiscal and customs matters, which will promote the best use of the Mexican export infrastructure.

The points include: simplifying the exchange rate regime, establishing a competitive system for railroad fares for export products so that exporters can take advantage of all available means of transportation, improving systems used by exporters, and creating a special service to allow exporters priority use of the railroad. The points outlined by the commerce secretary also include the construction of special terminals at distribution warehouses that may be operated by the private sector or by a national credit association at the Mexico City airport and subsequently at other airports in the interior. A program to guarantee exporting companies permanent electrical service will be established to reduce the costs derived from changes in voltage and the temporary suspension of service.

Reaction to Reinstatement of U.S. Tuna Embargo**Fisheries Secretariat Responds***PA2102165391 Mexico City Red Nacional 13
Imevision Television 1305 GMT 21 Feb 91**[Consuelo Aguilar Escalante report]**[Text] To the surprise of the fishing industry authorities, the San Francisco Court of Appeals has ruled to reinstate the U.S. tuna embargo against Mexico. An official document from the Fisheries Secretariat outlines three basic points:*

1. The court ruling does not take into account the great efforts made by Mexican fishermen, who have reduced the incidental capturing of dolphins by 70 percent.

2. The decision comes at a time when the Fisheries Secretariat and the Mexican tuna fleet are drafting a national program to reduce the incidental killing of dolphins.

3. The decision contradicts the positive report released by the U.S. authorities on 7 September 1990 that widely recognizes the job done by the national fishing fleet and that even recognizes that its capability is only surpassed by the U.S. fleet worldwide.

In a forceful tone, the Fisheries Secretariat points out that as far as Mexico is concerned, it is not through unilateral measures such as this that the protection of the sea mammal will be possible.

The Mexican Government reiterates in this document that the U.S. court ruling does not change the current policy of the Fisheries Secretariat toward an industry that each day conducts its activities with greater efficiency and respect for sea life.

As for Mexico, the most appropriate measures that can be taken to protect dolphins may be found in actions of international cooperation. Proof of this is the signing of an international program for the reduction of the incidental capturing of sea mammals, a program that was promoted by Mexico at the Latin American Organization for Developing Fishing, Oldepesca.

Carcova Deems Decision 'Unfair'*PA2202035291 Mexico City XHTV Television
in Spanish 0207 GMT 21 Feb 91**[Excerpt] In October, the U.S. Government lifted the embargo that had been imposed on the importation of Mexican tuna because Mexico allegedly did not comply with the regulations on preventing the deaths of dolphins while fishing for tuna.*

Last night, a San Francisco Federal Court of Appeals imposed another embargo on the importation of Mexican tuna. Luis German Carcova, president of the Confederation of Chambers of Industry [Concamin], described the tuna embargo against Mexico as unfair and unfortunate, and a means to pressure Mexico regarding the free trade agreement. He said that efforts should be made to settle this type of dispute through negotiations rather than allowing them to reach the court.

*[Begin Carcova recording] It has been confirmed that, when things become complicated, it is best to establish the rules of the game, which are much more precise and clear, in our relations with the United States. [end recording] During an interview at the end of a meeting to discuss the agreement, Carcova said that industrialists, fishermen, and the government are making efforts to keep the number of dolphins killed during the fishing of tuna as low as possible.**[Begin Carcova recording] We do not think the number of dolphins killed by Mexican fishermen is higher than the number killed by other countries. [end recording] [passage omitted]*

Belize

Honduran President Calls For Closer Caricom Ties

FL2002191691 Bridgetown CANA in English
1521 GMT 20 Feb 91

[Howard Benson report]

[Text] Belize City, Feb 20, CANA—Honduran President Rafael Callejas, who has just ended a two-day state visit here, has proposed a high level conference involving the countries of Central America and the 13-nation Caribbean Community (Caricom) [Caribbean Common Market], which includes Belize.

The Honduran leader, making the proposal before the National Assembly in the capital city of Belmopan, cited a need for more cooperation between the countries of the English-speaking Caricom region and Central America to improve their economies and strengthen democracy.

"We should be conscious that the Caribbean Sea is not a barrier between us, but a way of open communication which we should utilise to favour the economical and social development of our countries," Callejas said. His call came against a background of moves in Central America to promote more free trade. A common tariff has been agreed [upon] for Central America for 1992, and there are plans to fully integrate trade with Mexico by 1996.

Callejas said he had asked Belize Prime Minister George Price to act as a "bridge" between Spanish-speaking Central America and the countries of the English-speaking Caribbean. Price told reporters later he intended to take up Central America's case at a meeting of Caricom heads of government in Trinidad next week.

Callejas invited Price to a meeting of Central American presidents scheduled for December, and said he would be willing to host a joint Caricom-Central America conference in the Honduran city of San Pedro Sula.

A joint communique issued at the end of Callejas' visit announced the proposed establishment of a bi-national commission to further commercial and cultural ties between Belize and Honduras. A memorandum of understanding was also signed for both countries to swap expertise in health with assistance from the Pan American Health Organisation (PAHO). Honduras promised to send newly qualified junior doctors to Belize.

A tourism agreement was also signed, the aim being to improve air routes for small carriers between the two countries so that the tourism potential of Mayan Indian relics can be exploited. Allied to that is a joint concern to preserve environmental resources and wildlife.

The Honduran president, who was made an honorary citizen of Belize, promised technical assistance to the Belize banana industry, despite obvious competition between the countries. During the state visit, a meeting of the Belize and Honduran Chambers of Commerce was

held and the communique called for more dynamic communication between the private sectors of both countries.

There are an estimated 6,000 Hondurans living in Belize. Price accepted an invitation from Callejas to pay a state visit to Honduras.

Honduran Minister Interviewed

PA2002230891 Tegucigalpa Voz de Honduras Network
in Spanish 1145 GMT 19 Feb 91

[Telephone interview with Foreign Minister Mario Carias Zapata in Belize by unidentified reporter in Tegucigalpa—live]

[Text] [Reporter] Good morning, Mr. Minister.

[Carias] Good morning.

[Reporter] What are the results of President Leonardo Callejas' visit to Belize?

[Carias] They mark a milestone in relations between Honduras and Belize and in Belize's incorporation into Central America. I think that from now on we will act as a very united and cohesive bloc in facing common problems in the economic and social fields. This morning we will sign an agreement on tourism cooperation, which will serve as the framework to subsequently establish the Maya route, where Belize...[changes thought] This will be an important link in communications between Mexico, Guatemala, and Honduras. The sites there have beautiful tourist attractions, like beaches where fishing and other sports can be enjoyed.

I also think that in political terms, the visit establishes, as I said before, close cooperation between Honduras and Belize. Belize will be an English-speaking port to the Caribbean. As President Callejas proposed, this will begin with a top-level meeting to be held in Honduras this year.

[Reporter] Will Belize join the summit meetings of Central American presidents?

[Carias] Certainly. Belize and Guatemala have made major progress in overcoming the differences that separated them in past years. We hope both countries will sign an agreement soon. Honduras is helping in that effort, since, as I said, we think Guatemala, Honduras, and Belize must cooperate and the possibilities for cooperation in the Honduran Gulf region are big.

President Callejas hopes that by December he and Prime Minister George Price will be able to visit in Honduras and fully join in the work carried out by the Central American presidential summit meetings.

[Reporter] We understand that Honduras has offered to give technical assistance in health and agriculture programs. What is Belize's stance on the Honduran proposal?

[Carias] They are grateful. They realize they can greatly profit from Honduras' experience. For example, in the field of banana cultivation, the agriculture research foundation headquartered in Lima will provide information and know-how to Belizeans. On another matter, we will establish some exchange programs to give Belizeans a greater opportunity to attend the national agriculture school and the (Samorano) school, as well as to receive information on our experience in producing and marketing tropical fruits.

In turn, Belize can help us become more familiar with some European markets, which they know better than we do. I wanted to thank you for this opportunity to recap our visit to Belize.

[Reporter] One last question if I may, what is the purpose of our rapprochement with Belize? You have also talked a great deal of a rapprochement with the Caribbean community.

[Carias] That is right. Owing to its culture and political tradition, Belize has its roots in the English-speaking Caribbean region and has a long-standing relationship with Jamaica, Trinidad, Barbados, and other Caribbean countries. Honduras feels it is important to have a rapprochement between the two regions. That is why we will have that top-level meeting in Honduras, and why we offered to host the meeting. We think this opens the possibility for trade, and future economic, social, and political cooperation.

El Salvador

Government-FMLN Meeting Ends; No Agreement

PA2102231991 Mexico City NOTIMEX in Spanish
2115 GMT 21 Feb 91

[Text] San Salvador, 21 Feb (NOTIMEX)—The Salvadoran guerrillas today blamed the government for the lack of agreements at the round of negotiations they recently concluded, and expressed concern over what they described as a serious regression in the country's peace process.

In a communique broadcast minutes after a meeting between the two sides concluded in Costa Rica, the guerrillas said that "a worrisome situation has emerged because of the government's position, which has created a regression in the negotiations."

The Farabundo Marti National Liberation Front (FMLN) stated that over the past few months the negotiations had made "significant progress," including the formalization of the UN's role and the approval of a work document.

In April 1990, the government and guerrillas initiated negotiations to end the 10-year war under the UN's auspices, with the participation of UN representative Alvaro de Soto.

According to the rebels, at the last few meetings the government "has been adding amendments and raising objections to the work document concerning the Armed Forces, thus virtually maintaining its inflexible original positions."

The FMLN communique, which bears the title "Report on the Negotiation Process," states that the work document, approved by both sides, has had 41 of its 53 paragraphs amended by the government delegation.

It adds that the rebel delegation had attempted to "step up the negotiations," and to this effect during the past few meetings had introduced the cease-fire issue as part of the discussion concerning the guerrillas' territorial control.

According to the rebels, the Alfredo Cristiani government's "lack of receptivity" is based on "the military hierarchy and economic sector's conviction that it would not be advantageous to end the war because that would mean a reduction in U.S. aid."

This position, the FMLN adds, has been reinforced by the "resurgence of warmongering" generated by the U.S. Government's role in the Persian Gulf war.

The FMLN also denounced the existence of an alleged government plan to force the guerrillas to break off the negotiations, which would include an intensification of repressive actions against political and social leaders in El Salvador.

To conclude, the rebels reiterated that they will remain at the negotiating table. They also urged the government to "change its position" and make progress toward a political solution of the war.

At noon today the government and guerrilla delegations concluded a three-day meeting of talks at a hotel in the Costa Rican capital, during which they failed to reach any political agreements.

Colonel Vargas Comments

PA2102233591 Mexico City NOTIMEX in Spanish
2157 GMT 21 Feb 91

[Text] San Jose, 21 Feb (NOTIMEX)—Colonel Mauricio Vargas, deputy chief of staff of the Salvadoran Armed Forces, said here today that the Salvadoran Government is not hindering the peace talks.

Col. Vargas, who is a member of the Salvadoran delegation to the peace talks, abstained from expanding on his statement because of the confidentiality agreement covering the talks.

However, he said he does not believe "there has been a hardening on our part at the talks."

He believes that the talks have had their ups and downs; "however, this is normal in this type of process," he said.

Vargas also commented on recent statements by U.S. Ambassador to El Salvador William Walker, who said: "There can be no talks of peace in El Salvador while actions like the attack on DIARIO LATINO keep on occurring."

Vargas stated: "We are not in a situation to guarantee that these absolutely condemnable acts will not happen again." However, we can not use such harsh terms as those used by Ambassador Walker for an isolated incident." [quotation marks as received]

Villalobos on Negotiations

PA2202043991 Mexico City NOTIMEX in Spanish
0101 GMT 22 Feb 91

[Text] San Salvador, 21 Feb (NOTIMEX)—Rebel Commander Joaquin Villalobos today characterized the failure of the recently concluded meeting between the Salvadoran Government and the guerrillas as "a temporary crisis."

In an interview with a local radio station, given after today's meeting in San Jose, Costa Rica, had concluded without reaching any agreements, he reiterated that "there is no retreat from the path of negotiation."

The Farabundo Marti National Liberation Front (FMLN) commander said that the meeting had "a rather critical frame."

He said that "the government stopped the negotiations when we began addressing significant matters," but he asserted that "any setbacks that the government may impose will only be temporary."

"Most importantly there can be no retreat from the path of the negotiations, the possibilities for peace are real, and the will of the Salvadoran society for negotiations will triumph in the end," he said.

Villalobos, who headed the FMLN's delegation that met with President Alfredo Cristiani's representatives over the past three days, stressed that "we have already begun discussing significant topics," but averred that "the government must correct its warlike position."

He refused to give details of the meeting because, as he explained, both sides are committed to confidentiality.

He said that "the most critical points" were the purge and the impunity of the Army, and the discussion about a working document drafted during previous meetings among the two sides and UN mediator Alvaro De Soto.

While the government objected to 41 of the 53 points in the document, the FMLN proposed only four amendments and had one objection, said Villalobos. He added that "they practically wanted us to adopt their position."

He expressed concern about the possibility of "setbacks" to the peace process as the result of war in the Persian

Gulf, that which "could have revived expectations about a military solution" on the part of the most radical elements in the country.

Villalobos stated that another "temporary concern" is that government expectations of winning the 10 March elections could "cause it to oppose negotiations more forcefully."

After reiterating the FMLN's will to "bolster and accelerate" the peace negotiations, the commander warned that "the Army's operations and bombings, the repression, the attacks against opposition newspapers, and the massacres are unacceptable."

Although he did not rule out the possibility of the FMLN observing a unilateral cease-fire during the March elections, he added that, if such a measure is adopted, "it would be to show consideration for the political parties and not for the government."

Minister Pacas Castro Concludes Tour of Europe

PA2202024091 Madrid EFE in Spanish 1124 GMT
21 Feb 91

[Text] Brussels, 21 Feb (EFE)—Salvadoran Foreign Minister Jose Manuel Pacas Castro today ended a European tour that took him to London, Geneva, Strasbourg, and Brussels.

Pacas Castro met in London with the country's international legal advisers in El Salvador's land, island, and maritime dispute with Honduras concerning sovereignty over the Gulf of Fonseca.

The dispute, which has been submitted to the International Court of Justice in The Hague, will be studied on 15 April by that court, which recently recognized the Nicaraguan Government's right to participate in the case.

The Salvadoran foreign minister told EFE that "whatever the court's decision, it will not develop into a conflict between El Salvador and Honduras."

In Geneva, Pacas Castro analyzed the report from the UN rapporteur, Spaniard Pastor Ridruejo, with regard to human rights in El Salvador.

In Strasbourg (France), where sessions of the European Parliament are held, the Salvadoran foreign minister met with the president of the parliament and with the president of the parliament's commission on Central America, Spaniards Enrique Baron and Fernando Suarez, respectively. During these meetings, the chief of Salvadoran diplomacy explained the status of his country's democratic normalization process.

In conclusion, Pacas Castro met in Brussels with Marc Eyskens, Belgian minister of foreign affairs, and with Charles Ferdinand Nothomb, president of the Chamber of Representatives.

Some of the foreign minister's other activities in the Belgian capital have included a meeting with the European Community's general director for relations with Latin America, Juan Prat, and a meeting with representatives from the non-government organizations "Pax Christi" and Amnesty International. Pacas Castro discussed the agenda of the EC-Central America meeting, known as "San Jose VII," with the high-ranking EC official. The meeting will be held in Managua in March.

"San Jose VII" will try to evaluate the effectiveness of the aid granted by the EC to the Central American countries and particularly the effectiveness of the so-called "Regional System of Payments," a program applied by the EC to support the payment balances of the Central American countries and bolster regional commerce.

Pacas Castro believes that the Salvadoran economic situation is improving due to the good sugar cane and cereal crops and the recovery of some sectors, particularly the construction sector.

According to the Salvadoran foreign minister, inflation is being controlled and the country has been able to renegotiate the overdue payments to the IMF and the World Bank. El Salvador's foreign debt currently amounts to approximately \$2 billion.

In the political field, Pacas Castro told EFE that the situation has improved noticeably, as demonstrated by the fact that five political parties have already presented candidates for all of the country's electoral districts for the upcoming 10 March elections.

The foreign minister also expressed his hope that the negotiations currently taking place between his government and the Farabundo Marti National Liberation Front (FMLN), with the UN's support, will have positive results.

Pacas Castro said that El Salvador's relations with Spain are "correct" after overcoming the impact of Spanish opinion after the murder of the Jesuits at the Central American University.

He said that the warrants against the alleged authors of the murder of Father Ellacuria and his companions are currently being processed by the Appeals Court.

Pacas Castro left Brussels today to return to his country.

FMLN's Handal 'Pleased' With Visit to Germany

PA2002181291 Madrid EFE in Spanish 1259 GMT
20 Feb 91

[Text] Bonn, 19 Feb (EFE)—Jorge Shafik Handal, member of the General Command of the Farabundo Marti National Liberation Front (FMLN), told reporters during a news conference in Bonn today that he is pleased with the political talks he has held in Germany.

Handal, who arrived in Germany on 15 February at the invitation of the Evangelical Church, met in Bonn with government representatives, the Social Democratic and Green opposition parties, nongovernmental organizations that provide development aid, and solidarity groups.

The FMLN commander, who is also the head of the rebel delegation in the negotiations with the Salvadoran Government, met with Guido Heimer, chief of the Central America Department of the Foreign Ministry and former ambassador to El Salvador. He also spoke with Social Democratic politician Hans Juergen Wischniewski, an expert in Central American affairs.

Handal, who will remain in Germany until 23 February, said that all the individuals with whom he has met have promised to help—through bilateral channels and international organizations—end the stalemate in the peace negotiations between the FMLN and President Alfredo Cristiani's government and to end the government repression.

"One of the negative results of the Persian Gulf war is that the Salvadoran Government and Armed Forces believe that the United States will support their position of delaying the peace negotiations in El Salvador, even though at the same time they are prolonging the instability in the country and therefore, in Central America," Handal stated.

Like the Nicaraguan Government, the FMLN has expressed support for a total demilitarization, such as the one Costa Rica established in 1948.

The guerrilla commander stressed that in El Salvador there are currently two powers that are at an equilibrium. The military activity has shown that the Armed Forces cannot defeat the FMLN, which is not isolated either from the Salvadoran people or the Latin American people.

Handal added that the FMLN maintains friendly and permanent relations with many countries of the world, including the United States, and has "an international relations structure that is perhaps bigger than the Salvadoran Foreign Ministry."

This trip to Germany, mainly undertaken to attend a congress organized by the Tutzing Academy, near Munich, is also meant to draw attention to the Salvadoran problems, precisely at a time when Europe is turning its eyes toward the Persian Gulf conflict and appears to be neglecting the problems in other regions of the world.

FMLN Spokesman on Town Occupations, Elections

PA2102203791 San Salvador Radio Cadena YSU
in Spanish 1753 GMT 21 Feb 91

[Text] Salvadoran guerrillas have occupied two towns during the past few hours.

In a telephone call to a local media this morning, rebels of the National Army for Democracy reported the occupation of San Francisco Javier and San Agustin. According to the source, they told the people in those towns that the guerrillas will not permit the installation of ballot boxes on 10 March.

The spokesman who made the phone call made the following statement:

[Begin unidentified spokesman recording] Within the framework of our political-military campaign, members of the National Army for Democracy simultaneously occupied the towns of San Agustin and San Francisco Javier, where meetings were held to explain to the people the meaning of the next elections and what each political party represents under the same corrupt, murderous, and turncoat leaders. They were also told that in territories controlled by the National Army for Liberation [name as heard] we will not permit the installation of ballot boxes to carry out frauds in our own house. People were asked, therefore, to choose carefully who they vote for. [end recording]

The spokesman for the Farabundo Marti National Liberation Front said that there were no clashes with the Armed Forces, as those towns are without military security.

Poll Shows Arena Leading; People Said Afraid

PA2202025591 San Salvador Radio Cadena YSU
in Spanish 2100 GMT 21 Feb 91

[Text] A poll published on 14 February by the Central American University (UCA) reveals that 73 percent of Salvadorans of voting age are afraid to express their political opinions.

The poll, which shows a high rate of indecision with regard to for whom to vote also points toward a victory by the ruling Arena [Nationalist Republican Alliance] in the 10 March legislative and municipal elections.

The poll, taken over the past few days, of 1,992 people representing five different sectors of the people, was conducted by the UCA's Public Opinion Institute.

According to the poll, 73.9 percent of the people stated that, because of the situation in the country, they are afraid to express their political positions, while 20 percent said that they are not afraid and that there is freedom in El Salvador.

As for the upcoming elections, 37.3 percent indicated that they will vote for Arena, 10.7 percent said that they will vote for the Christian Democratic Party, and 3.6 percent said that they will vote for the National Convergence, the coalition of three leftist parties. More than 42 percent of the people polled said that they did not know for whom they will vote.

The Central Electoral Council has announced that there are 2.8 million Salvadorans of voting age. However only 2.1 million will be able to vote because the rest do not have voting cards.

The poll showed that 75.7 percent of the people said that they will vote, 12.1 said that they will not vote, and 10.5 do not know if they will vote or not.

When asked if they would like to see the two armies disappear, 48 percent said yes, 6 percent said that they want only the FMLN [Farabundo Marti National Liberation Front] to disappear, and 0.4 percent want just the Armed Forces to disappear.

Asked about human rights in El Salvador, 44.8 percent of the people said the situation remains the same, 26.8 percent said that it has improved, 18 percent said that it has worsened, and 9 percent did not know.

Asked about who violates human rights more, the Army or the guerrillas, 44.9 percent said that they are about the same, 27 percent said the FMLN, 13.2 percent said the Armed forces, and the rest did not know.

According to the poll, 43 percent said that repression continues the same as in 1990, 20.5 percent said that it is worse now, 22.9 percent said that it is less, and the rest did not know.

Kidnapped Mayoral Candidate Reported Released

PA2102230291 San Salvador Radio Cadena YSKL
in Spanish 1200 GMT 21 Feb 91

[Text] Armando Calderon Sol, president of the Nationalist Republican Alliance (Arena), has asked the opposition political parties for solidarity and unity in view of crimes like the kidnapping of Hilario Mardin Tolusino Lopez, Arena candidate for mayor of the city of Cinquera in Cabanas.

Calderon Sol said that the kidnapping of his fellow party member is a hard blow to the country's political organizations that will participate in the elections. He said it is also a completely different attitude to that shown by the Farabundo Marti National Liberation Front at the negotiating table.

Military sources have just reported that the mayor has been released.

Guatemala

Minister, Human Rights Head Unharmed in Attack

PA2102204291 Panama City ACAN in Spanish
2019 GMT 21 Feb 91

[Text] Guatemala City, 21 Feb (ACAN-EFE)—Defense Minister General Luis Mendoza and Human Rights Attorney General Ramiro de Leon Carpio escaped unharmed yesterday from an attack that has been officially attributed to guerrillas. The human rights official

said today that after visiting relatives of 10 people who were killed in a rebel ambush near the Mexican border, he was invited by Mendoza, who came to the site, to visit an area of guerrilla activity known as Cuatro Pueblos.

According to de Leon Carpio, the helicopters in which he and Mendoza were traveling were attacked by a subversive group as they were about to land. The two officials saved their lives by taking refuge in a trench.

"It was a sad experience to have seen for myself that there is an ongoing domestic armed conflict that is causing pain and death," de Leon Carpio said. He urged the Guatemalan National Revolutionary Unity to join in legal life by political means because, he said, "I believe that there is a possibility of achieving peace, as has occurred in other Latin American countries."

Serrano Offers Help With Missing People

PA2102031891 Guatemala City Teleonce Television in Spanish 0400 GMT 15 Feb 91

[Text] As an initial gesture, Guatemalan President Jorge Serrano Elias on 14 February visited the Mutual Assistance Group [GAM] headquarters in Guatemala City. Serrano, who was accompanied by Labor Minister Mario Solorzano, Development Minister Manolo Bencem, and the director of the reconstruction committee, was received by GAM President Ninette Montenegro de Garcia and other leaders. Upon the invitation of the GAM leadership, the president and his companions toured the GAM shops in Zone 12, which are equipped with sewing machines and other tools used by the GAM members to earn a living. Serrano praised the group's efforts to ease the problems caused by violence that has plagued its members. He was asked about the government's efforts to determine the fate of the missing people.

[Begin recording] [Unidentified reporter] [Words indistinct].

[Serrano] During the visit, we said that we fully support the prosecutor for human rights. We believe that he should carry out this investigation. He has said he needed our support and we are giving it to him. I will talk to Ninette later and give her a letter pledging our commitment to help ascertain the whereabouts of their loved ones, with the understanding that this will not be done out of revenge but for humanitarian reasons. Everyone has the right to know where his loved ones are.

[Reporter] Mr. President, GAM is planning to stage a demonstration at the presidential building tomorrow to demand the creation of a commission that will investigate the fate of the missing persons. Do you agree with the creation of such a commission?

[Serrano] As I said, it is the prosecutor for human rights who is responsible. If he thinks he should create the commission, we will give him the support he asks for. The executive branch does not have an opinion. We do

not say yes or no. We simply abide by the law. The prosecutor is the government official charged with seeing to it that human rights are respected in the country. He enjoys our support and respect. His opinion is very authoritative. He is a man of great competence. So are the two deputy prosecutors, Pren and Alvarez Guadamuz. These gentlemen can rely on my support. We will support them in whatever they decide. [end recording]

Serrano, then, delivered a letter to the GAM president in which he offered government financial aid to the relatives of missing persons.

[Begin recording] [Serrano] This is the letter: Considering the needs of the wives and children of the missing persons, my government hereby confirms its willingness to cooperate with you to help these persons as much as possible. Just as we have discussed previously, and to make sure that the help reaches the needy, I am asking you to present a list with the names and descriptions of the victims so I can properly plan the assistance. Yours truly, Jorge Serrano Elias, president of the Republic.

You can see that we have changed somewhat.

[Garcia] This is what we expected.

[Serrano] How so?

[Garcia] Cerezo gave us five similar letters pledging to create the commission. I expect this one to work.

[Serrano] I am pledging that it will be the prosecutor who will....

[Garcia, interrupting] ...Create an investigation commission?

[Serrano] You talked with him already. He is authorized to do whatever he wishes.

[Garcia] Is he now authorized to act?

[Serrano] He can do whatever he deems necessary. He has all our support. Regarding the other matter, [words indistinct] you will have an answer within 48 hours.

[Reporter] Mrs. Garcia, what do you think of the president's visit?

[Garcia] Encouraging. This is the first time a president has come to visit a popular cooperative created to support the missing persons' relatives. We think this is one way in which the president has expressed his approval. In addition, we have received an offer of industrial equipment for the cooperative. We hope the cooperative we will be able to benefit more people. This cooperative is helping 75 women. We wish to expand the cooperative and to help 500 or more persons. The property is large enough. Although we do not have much money, we could do much better with more help.

[Reporter] What do you think of the president's offer of cooperation in the investigation of the missing persons.

and his statement that it is up to the prosecutor for human rights to create the commission you are requesting?

[Garcia] It is acceptable to us if the commission is formed on the initiative of the prosecutor. We need a serious commission that investigates the whereabouts of our relatives. The president has said that he will support the prosecutor's decisions. The prosecutor has already told us that he is willing to form an investigation commission consisting of the president of the Bar Association and other people, and to be a member himself. It is extremely important to us to at least recover the remains of our relatives, and to be certain of their deaths rather than to continue with the current doubts. This is our right.

[Reporter] A human rights meeting will be held in Geneva in a few days. What do you think will be said there about the most recent events in Guatemala?

[Garcia] Only the truth. There are serious human rights violations in Guatemala. During today's press conference we will present a report that we will take to Geneva, it cites 1513 cases of illegal executions and 238 cases of missing persons reported just in 1990. The extent of political violence in Guatemala is tremendous. There has been no respect for life. In several cases, it has been demonstrated that the Army was responsible for the crimes. We do not believe that we can conceal the truth of what has happened. Likewise, we cannot accuse the new government of human rights violations. Nonetheless, we believe that there must be international supervision in our country, which could help even the government in its efforts to respect human rights. We feel that there should be a special human rights rapporteur; not to criticize or to tarnish the country's image, but to wipe away the bloodstains from the Guatemalan people and to cooperate with the government so that never again will there be more missing persons. [end recording]

'Powerful' Bomb Explodes at British Embassy

PA2202045391 Mexico City NOTIMEX in Spanish
0430 GMT 22 Feb 91

[Text] Guatemala City, 21 Feb (NOTIMEX)—The Municipal Fire Department has reported that a powerful bomb exploded this evening at the British Embassy in Guatemala City, which is housed in a 15-story building near the city's center. The attack caused 15 large window panes on the outside of the building to break.

Firemen and police inspected the building after an anonymous caller warned there was another dynamite charge inside, but nothing was found.

None of the six people who were working at an office next door were injured.

In the wake of the Persian Gulf war, Al-Fatah, one of the PLO's most radical groups, urged its members to attack allied countries' targets.

No organization has claimed credit for the attack yet, and the anonymous caller who warned about the existence of another bomb did not identify his group.

Other calls warned that bombs will be placed in the embassies of Mexico, Germany, and Costa Rica, which prompted the mobilization of the police and Army in this capital. However, explosive experts did not find bombs in any of these embassies.

*** Japan Grants \$37 Million Loan**

91CA0057C Guatemala City PRENSA LIBRE in Spanish
20 Dec 90 p 45

[Text] Informed sources state that the Government of Japan has recently granted an easy-credit loan of 4.711 billion yen, approximately \$37 million, for the implementation of a project to supply underground water to Guatemala City.

The agreement enabling the implementation of this project was signed on 5 December in the Foreign Ministry, between Guatemala's foreign minister, Mr. Ariel Rivera Irias, and Japan's ambassador to Guatemala, Mr. Sumio Ono.

The purpose of the project is to satisfy the growing demand for an adequate supply of potable water in Guatemala City, thus resolving the water shortage problem that is seriously affecting the daily lives of the capital city's residents.

With EMPAGUA [Municipal Water Company] as its executor, the loan granted by the Government of Japan will be used to improve the city's public health services and the quality of life of its residents by providing a permanent supply of water.

This project is reported to be part of the Emergency Plan under the PLAMABAG [Master Plan for the Supply of Water to Guatemala City], whose rapid implementation has been accorded a high priority. It will consist of extracting and providing to the system one cubic meter per second of underground water from the valley of the capital city.

The project calls for the drilling of 38 new wells, and interconnecting them with the water purification and treatment system of the other 56 wells that are presently in operation.

The loan is to be amortized over a period of 30 years, including a ten-year grace period, at an annual interest rate of 2.7 percent. Disbursement of the loan will extend over a period of five years, starting from the effective date of the loan agreement signed between the Japan Overseas Economic Cooperation Fund and the Guatemala City Municipality.

* Inflation Up 42 Percent in 1990

91CA0057B Guatemala City EL GRAFICO in Spanish 23 Dec 90 p 2

[Text] Guatemala, 23 December—The CPI [Consumer Price Index] in Guatemala City increased by 42 percent over December of last year, according to an INE [National Statistics Institute] report.

The same source indicates that the percent variation in the CPI, which was 13.35 in October 1988, has risen by approximately 54.58 percent in the two years since then.

The report adds that clothing and footwear, food and beverages, household maintenance, education, and health care registered the highest price increases.

Vegetables and legumes registered the highest monthly inflationary levels among all the CPI's, reaching 717 percent in October, while sugar, candy, and preserves rose to levels of 372.5 percentage points.

Medicinal and educational materials also experienced steep inflationary increases. The first of these reached, in October 1990, more than seven times its base value, while the second peaked at 509.5 percentage points.

According to the INE, among the products of the statistical basic food basket, meat showed the biggest increase between September and October 1990, up 6.37 quetzales. Chicken, sausage, and fish went up 70 percent.

When asked about the inflation rate, Deputy Minister of the Economy Luis Cifuentes said that the change reflects the economic measures instituted in 1986 by the government.

"Even though this Ministry is orienting its policies toward stopping inflation," he added, "the objective of reaching our goal within a short time will, in my view, be very difficult, given the fact that the prices of some products and services are currently exorbitant vis-a-vis the real income of the Guatemalan people."

* 1990 Economic Growth Rate 3.7 Percent

91CA0057A Guatemala City DIARIO DE CENTRO AMERICA in Spanish 4 Jan 91 p 3

[Text] Minister of the Economy Jose Antonio Blanco Gomez announced yesterday that, during 1990, Guatemala's economy grew at the rate of approximately 3.7 percent, thus exceeding the 2.8-percent growth of the population and perpetuating a positive trend, in that this factor has been positive for four consecutive years.

He pointed out that, for the fourth year of this Administration, the economy's real growth has remained steady, despite having had to contend with problems such as inflation.

"The economy grew in real terms, with the export sector providing the dynamic factor, as a result of the special priority given to sales to the rest of the Central American

countries. And the figures show that a recovery has taken place in the MERCOSUR [Central American Common Market]," said the minister.

There was also a notable increase in the export of non-traditional products, even as our products continued to penetrate various world markets.

Ministry of the Economy reports indicate that during 1990, non-traditional products alone accounted for the registration of 120 firms, which, all told created more than 8,000 new jobs.

"It was a helpful contribution by the Ministry of the Economy," said Minister Blanco Gomez, "to have supported and furthered the creation of firms designed to increase exports. These firms constitute the dynamic factor underlying the generating of the hard currency needed to meet the needs of the importers and the payment of our foreign debt."

He reiterated that, during the current administration, except for 1986 when there was "zero" growth, with the halting, that year, of the precipitous downward slide of the GDP [gross domestic product], positive economic growth during 1987, 1988, 1989, and 1990, has exceeded the population growth rates during those years.

This means that recovery of the per capita income has only started, because the deterioration it suffered during the years from 1980 to 1985 was so drastic that, assuming the economy continues to grow at the present rate, we will barely reach, by the year 2000, the level of income we had in 1980.

The minister stated that exports produced hard currency revenue totaling \$982.2 million during 1990, as compared to \$900.4 million in 1989. In real terms, this means an increase of \$81.8 million, for a growth rate of 6.7 percent.

Tourism generated a revenue of \$117.3 million, versus \$108.9 in 1989, up \$8.4 million.

Balance of trade figures show that imports represented an outflow of \$1,292.4 million in 1990, versus \$1,140.9 million in 1989, an increase of \$151.5 million.

The minister of economy pointed out that trade with Central America increased notably. Last year, sales of Guatemalan products to the other countries in the area generated hard currency totaling \$61.3 million, versus \$25.9 million in 1989, an increase of 135.9 percent.

Honduras

Maritime Cooperation With Nicaragua Discussed

PA2102132191 Tegucigalpa LA TRIBUNA in Spanish 19 Feb 91 p 26

[Text] The navies of Honduras and Nicaragua yesterday established more efficient diplomatic mechanisms so

that incidents in the Gulf of Fonseca can be settled through dialogue instead of with bullets.

In a meeting lasting over four hours at the Jose Cecilio del Valle Presidential Building representatives of the two countries discussed techniques, joint coastal patrols, how to improve relations between the two forces, and the establishment of a closed season in the region to protect marine resources.

The Nicaraguan delegation was headed by Navy Commander Lieutenant Colonel Manuel Rivas Guatemala, Nicaraguan Ambassador Noel Rivas, IRENA [Institute of Natural Resources] official Gutemberth Castro, and Edmundo Castillo and Eduardo Rodriguez of the Nicaraguan Foreign Ministry.

Honduras was represented by Navy Commander Colonel Reinaldo Andino Flores, Colonel Osiris O'Connor, commander of the 101st Infantry Brigade, Commander German Ramirez Lanza, Lieutenant Commander Miguel Angel Silva, Ensign Gustavo Enrique Gamero, foreign representative Guillermo Perez Cadalso, and RENARE [Department of Renewable Natural Resources] Director German Zelaya.

The delegates agreed that similar meetings will be held at least twice a year to discuss disagreements at the level of commander.

Nicaragua

Czechoslovakia's Calfa, Chamorro Discuss Debt

AU2002165491 Prague CTK in English 1609 GMT
18 Feb 91

[Text] Prague Feb 18 (CTK)— Nicaraguan President Violeta Chamorro and Czechoslovak Premier Marian Calfa agreed today to set up a mixed commission which will study the possibilities and ways of the payment of a 150 million-dollar Nicaraguan debt to Czechoslovakia.

The Czechoslovak side expressed its willingness to write off the interest of 25 million dollars from the debt.

In their talks on the second day of the Nicaraguan president's official visit Mrs Chamorro described the country's overall debt of 11,000 million dollars as its most serious problem and asked Czechoslovakia to help it seek the ways of how it could pay its debt of 150 million dollars to Czechoslovakia.

Calfa expressed understanding because Czechoslovakia has also paid for the forty years of totalitarian rule.

He offered cooperation in goods exchanges as well as Czechoslovakia's participation in privatization in Nicaragua so that the Nicaraguan debt could be paid by the year 2000.

The Czechoslovak side proposed that the two countries start talks on agreements on the prevention of double taxation and on the protection of investments.

Calfa said that Czechoslovak ministers will be instructed to solve the problem of the Nicaraguan debt without causing harm to Nicaragua. He and President Chamorro noted that success in the economic sphere is also success for democracy.

After meeting with Prague Archbishop Cardinal Frantisek Tomasek President Chamorro said that the church in her country is now striving for forgiveness and conciliation. She herself is working for justice inspired by God's will. Respect for the presidential office and the parliament is growing in her country after years of dictatorships and this is important. A problem is that there are some 200,000-300,000 weapons among the people and her government is trying to bury them.

In the morning, Mrs Chamorro met Prague Mayor Jaroslav Koran who praised her dedication to the cause of freedom which could be an example to all men of politics. He gave her the freedom of the city of Prague.

Nicaraguan Foreign Minister Enrique Dreyfus Morales held talks with Czechoslovak First Deputy Foreign Minister Pavol Suchan. Dreyfus said that Nicaragua has problems with high inflation, foreign debt, and unemployment.

He told his partner that Nicaragua has largely reduced its contacts with Cuba. He noted that Cuba's influence on the developments in the region has greatly declined as a result of its internal problems.

According to ministerial adviser and head of the Foreign Ministry Press Department Michal Cermak, Dreyfus expressed regret that the United States had promised financial aid to Nicaragua but was not living up to its promise. This is one of the reasons why Nicaragua's problems are not being solved as quickly as necessary.

Mingob Authorities Investigate Bermudez' Murder

PA2102131191 Managua BARFICADA in Spanish
20 Feb 91 pp 1, 12

[Text] The Government Ministry (Mingob) is not yet able to answer the question, who murdered Bermudez? Besides an eyewitness, however, it has several clues that could lead to the masterminds.

Who had political motives to murder Bermudez? This is one of the key questions that investigators are asking. On 17 February one of the top former contra leaders known as Johnson, accused Oscar Sovalbarro, alias Ruben, of being involved in a open dispute with former GN [National Guard] Colonel Enrique Bermudez Varela.

Johnson stated that hours before the murder, Sovalbarro, the new deputy director of the Nicaraguan Repatriation Institute, had voiced strong remarks against Bermudez, but he failed to say how Bermudez had responded.

According to Johnson, the situation became so extreme that Sovalbarro had told Bermudez that he should leave the country.

Following Johnson's derogatory remarks, another former contra, Enrique Sanchez Herdocia—the brother of Aristides Sanchez [top Nicaraguan Resistance leader]—noted on Radio Corporacion that there is no division among the former contras, but he failed to erase Sovalbarro's "insulting remarks."

Nevertheless, it would be helpful for the authorities to know the following: Who made the appointment with Bermudez at the Intercontinental Hotel? Did he go alone?

A Mingob civilian employee has unofficially said that the former contra military chief was accompanied by a certain Julio Santana, but he did not comment on Santana's whereabouts or how he received the information.

Experts are investigating whether or not there really was a telephone call to the house where Bermudez was staying. Allegedly, the caller summoned him to the hotel, where he was murdered shortly after arrival.

The explanation that his caller gave him: That U.S. Ambassador Harry Shlaudeman wanted to see him at the hotel, has not been confirmed. If Bermudez left his house, however, in response to a telephone call, the caller had to have been someone he trusted.

In the course of yesterday's investigation, the police investigated a report claiming that an eyewitness to the murder had sought refuge at the Managua archbishopric, where he was received by Cardinal Miguel Obando y Bravo.

The archbishopric's watchman, who was identified as Ramon Rayo, said that no one had taken refuge at the archbishopric "because if someone had been left there, I would have to know."

A priest, who celebrated mass for a group of nuns at the Las Sierritas Church on the evening of 19 February, told BARRICADA that he knew nothing about a person seeking refuge at the archbishopric. A watchman at the cardinal's residence said the same.

Precisely at midday on 19 February, the cardinal was visited at the archbishopric by Presidency Minister Antonio Lacayo, who spoke with reporters, but did not disclose the content of his discussion with Cardinal Obando.

The Mingob investigators have also been told that Bermudez was murdered by the Sandinists because he was the top military leader in the war against the FSLN [Sandinist National Liberation Front] regime.

Moments after "Johnson" had incriminated "Ruben," doctor Roberto Ferrey, former director of the Nicaraguan Repatriation Institute, accused the Sandinists of murdering Bermudez.

The authorities are also considering the possibility that Bermudez was deeply involved in a plot against the government; this plot, which originated in Regions 1, 5, and 6, may have been the key motive for his murder.

Apart from the fact that the Sandinists have denied involvement in the homicide, however, there are analysts who maintain that the FSLN had nothing to gain by eliminating Bermudez. "The Sandinists are the main losers because the death of the contras' former top military chief will make them the victims of reprisals," one analyst has said.

Another explanation implicates the CIA station in Nicaragua, whose agents may have acted in an effort to protect Mrs. Chamorro's government which—despite not enjoying the full approval of the Bush administration, particularly because of its involvement with Sandinism—is not an enemy of the United States.

Another view is that Bermudez, such as Noriega, had become a nuisance to the CIA, because he knew too much about the CIA's covert operations in Central America.

The explanation involving the CIA contradicts the previous theory claiming that the murder favors right-wing elements headed by Dr. Virgilio Godoy which, in contrast to Mrs. Chamorro, would guarantee Washington that Sandinists would be purged from Nicaragua's political scene.

While the authorities are considering all of these possibilities, government employees breathed a sigh of relief after the departure of Bermudez' body to Miami.

At 0900 today, approximately 400 people gathered at the gates of the Augusto C. Sandino International Airport, and attempted to force their way in.

The contra leader's supporters chanted such slogans as "Justice!" "Execution!" "Death to the Sandinists!" They pounded on the gates until they broke the lock, but the incident went no further because the authorities allowed them to enter.

Bermudez' followers went the airport runway. Some stood on runway No. 1, where the Aeronica airplane, which would transfer the body to Miami at 0930, was parked.

Many of the people who bid farewell to the former GN colonel's body were in a state of euphoria; they shouted insults at airport policemen and immigration officials, but the latter did not respond.

Mingob authorities made no official statements on 19 February concerning their investigations. Meanwhile, expectations are growing as the people wait for the case to be solved.

Assembly President Outlines Key Economic Laws

PA2102041991 Managua LA PRENSA in Spanish
16 Feb 91 p 16

[Text] [National Assembly President] Engineer Alfredo Cesar gave a speech at the monthly luncheon of the American Chamber of Commerce in Nicaragua on 15 February and announced that the country will have four new key economic laws related to development before 31 June.

The National Assembly president addressed approximately 100 members and businessmen and U.S. Ambassador Harry Shlaudeman, and said that the country's economic transformation will be the number one priority this year.

Referring to the new laws, he said that a commission is already reviewing the Bank Superintendence Law, which will allow private banks to operate, and the Foreign Investment Law.

Referring to the former, Cesar said that it will be ready in five weeks, because the commission needs three weeks to consult with every sector, and it is estimated that a plenary session may approve it in two weeks. Concerning the Foreign Investment Law, he said that it will be approved by late March, because discussion of it might be quicker than the Bank Superintendence Law.

"If we have to hold special sessions to approve these laws, then we will hold them," Cesar emphasized.

The two other laws that the assembly will approve during the first half of 1991 will be the Free Zone Law and the Privatization Law.

The National Assembly president said that the two laws will be discussed and approved upon the initiative of the Executive Branch. The Free Zone Law already exists in Nicaragua, but, according to Cesar, it must be updated to allow competition with neighboring countries.

Concerning the Privatization Law, he said that it would define the ways in which the state will sell more than 300 enterprises currently managed by the state to national and foreign investors.

Referring to the government's interest in generating trust among national and foreign investors, Cesar explained that the proper laws will be created to achieve that goal.

He said that the National Assembly will debate a law to modernize the Real Estate Registry, and that the abuse perpetrated through laws 85 and 86 will be corrected so that "everyone is absolutely certain about ownership rights in Nicaragua."

Retired Officers Send Letter to Government

PA2002151791 Managua Radio Sandino in Spanish
1200 GMT 19 Feb 91

["Open Letter" from the National Board of Directors of Retired Sandinist People's Army officers to Minister of the Presidency Antonio Lacayo; dated 19 February in Managua]

[Text] The letter states:

Managua, 19 February 1991

Mr. Antonio Lacayo, minister of the Presidency, in your office

Mr. Lacayo, this is to inform you that the National Board of Directors of retired officers has decided on the following:

1. Although talks were held with Nicaraguan President Violeta Barrios de Chamorro on 21 January 1991 and agreements were reached and signed, there has been noncompliance with certain agreements, such as the ones on:

1. Payment of six months of salary.
2. Payment of the 13th month bonus for December.
3. Acceptance and solution of the transportation plan that was presented.
4. Delivery of lots of land.
5. Meetings with ministers related to the problems of retired officers.

2. Ministers who were given presidential orders to pay attention and resolve problems involving the retired officers have acted unfavorably.

3. In view of this lack of compliance and lack of seriousness, the board of directors of the Commander Carlos Nunez Tellez Association of Retired Officers has decided to publicly state that it has no intention of negatively affecting the country's stability and we have always been in favor of serious and mature positions. Therefore, we demand an immediate solution to our problems, as was agreed upon. We demand that this be resolved in this month of February. Otherwise, we will adopt strong measures to back our demands because they are based on guarantees given to 5,000 retired officers. We say no to the retirement of 3,000 more officers in the next few months if our rights, as well as theirs, are not guaranteed.

We insist that we have no intention of exerting pressure in any way that would destabilize the country, but we know that the government has demonstrated that it uses pressure to negotiate. We do not approve of that approach. If this letter is not responded to satisfactorily, we will have to take action.

Signed: Retired Lieutenant Colonel Ivan Garcia, national coordinator; Retired Captain Ricardo Somarriba, deputy national coordinator; Retired Captain Sergio Ortega, public relations secretary; Retired Captain Carlos Delgado, statutes secretary; Retired First Lieutenant Anastasio Hernandez, international relations

secretary; Retired First Lieutenant William Calero, acts and agreements secretary; and Retired Lieutenant Dr. Maria Luisa Games Terre, employment and projects secretary.

Panama

Interview With PCC Administrator Guardia

PA2002210791 Panama City EL DIARIO
INDEPENDIENTE in Spanish 18 Feb 91 pp 12, 13

[Interview with Panama Canal Commission administrator Gilberto Guardia by EL DIARIO INDEPENDIENTE Editor Luis Estribi M.; place and date not given]

[Text] [Estribi] Will the war in the Gulf lead to an increase in the amount of ships crossing the canal? By how much and how will this benefit the Republic of Panama?

[Guardia] The war in the Persian Gulf could have some effect on the amount of ships going through the canal if some of the ships that normally cross the Suez Canal decide to use the Panama route for security reasons in the Gulf. Actually, there has been an increase in the ships crossing the canal. However, based on our observations, we cannot say that this increase is a result of the Persian Gulf conflict. There are other reasons. For example, the transit of petroleum from the Atlantic to the Pacific that did not normally transit before is an indirect effect of the Gulf conflict, because Venezuelan petroleum is heading to new markets.

There are other causes for the increase in transit other than local situations that do not necessarily indicate a trend, but are due to circumstances existing at this time that have created a movement of ships through the Panama Canal additional to what had been forecast.

Any increase in the level of traffic in the Panama Canal directly benefits the Republic of Panama because Panama is paid \$0.35 for every ton that transits the waterway. This toll is revised every two years, according to the 1977 canal treaties and other related agreements. The toll was established at \$0.30 during the first five years under the treaty. It was then increased to \$0.31 on 1 October 1984 and to \$0.32 on 1 October 1988. The current toll was established on 1 October 1990.

[Estribi] The future of the canal is based on two alternatives: the widening of the canal and a level canal. Are we Panamanians prepared both technically and administratively for both alternatives?

[Guardia] This question must be answered bit by bit. In the first place, the widening of Gaillard Cut is one of the projects that the PCC has been closely following for the past several years. The PCC made a feasibility study of this project in the mid-1980's, given that at that time the

transit forecasts indicated the possible need for the first stage of the project to be ready during the first half or third quarter of the 1990's.

Nevertheless, when the project analysis was completed, it was determined that it was not necessary to initiate it immediately. It was decided then that the project could be carried out in five to six years; therefore, there was more than enough time to undertake the project. Thus, the decision to proceed with the project was not made at that time.

However, at the beginning of this decade, the PCC again updated the figures of the canal transit projections so as to establish, on the one hand, the need for the project, and on the other hand, to again review its economic feasibility compared to the future demand for service. The resulting transit projections indicated that it would take more years before the demand would require the widening. At the same time, the commission updated the estimated costs of the project. It was established that the first phase of the widening would be necessary later than when had originally been estimated.

Nevertheless, we now see that the widening can be undertaken through several alternatives. For example, we believe that it would not necessarily be the most advisable thing to carry out the project within a minimum period (between 5 and 6 years). Instead, we must begin exploring other possibilities because we now have much more time to undertake the project. This is the phase in which we now find ourselves—in the analysis stage of those possibilities and those alternatives that provide us with an opportunity because we have more time to carry out the project.

I do not have the slightest doubt about the PCC's ability to carry out the widening of the Culebra Cut as it has carried out countless improvements to the waterway. Among these, I can mention the widening of the Pacific entrance to the canal, which is in its last phase, and the deepening of the canal's channel in previous years.

Regarding the sea level canal, this matter does not correspond to the Canal Commission. Panama and the United States have viewed it as a topic of interest and they have included Japan in the analysis of that topic. A tripartite commission was created to analyze that and other alternatives to the lock canal. The sea level canal is a major project that would probably require the participation of large companies specialized in these types of projects.

[Estribi] What are the possibilities that the widening of the Culebra Cut will be carried out before the year 2000?

[Guardia] This depends on the alternative that is chosen for this project because some options involve the beginning of the cut's widening before the year 2000. It is very possible that such a project could be started before the year 2000. However, this cannot be decided upon until we conclude the analysis of the alternatives and the economic feasibility of each one.

[Estribi] Is there a program to extend the useful life of or replace the equipment used in the operation of the Panama Canal? What are the costs?

[Guardia] Throughout the years it has been operating, the PCC has been carrying out continuous programs to improve the waterway. Countless improvements have been made in all aspects of its operation and there has been a continuous policy and program to replace and maintain equipment. Those programs are carried out every year. Therefore, the replacement of equipment and the modernization of the canal do not require extraordinary investments.

This really falls within the routine operation and administration of the canal. I do not foresee any problem. We must simply maintain the current programs and facilitate things to ensure that, not only at the level of the PCC but at the level of the national community, these programs will be maintained after the year 2000 at the same level of excellence and effectiveness as occurs now.

[Estribi] What efforts and plans for a training program are being implemented by the Panama Canal Commission [PCC] administration so that more Panamanians can occupy positions of responsibility in the canal?

[Guardia] Since the treaties were implemented, the PCC has conducted—along with the work of maintenance, improvement, and modernization—a continuous training program, not only for those who join the PCC, but also for employees who have been working for the organization for years to develop their skills. With the training programs, promotion opportunities are opening up for them within the organization. This has been going on very effectively and it will continue.

By virtue of the treaties, the PCC set out, to achieve a 100-percent Panamanian labor force by the year 2000 as much as possible. Currently, 86 percent of the labor force is comprised of Panamanians and the figure continues to increase as U.S. personnel leave the canal area.

There are areas where this is very easy to accomplish because the Panamanian market naturally produces people trained in certain skills. However, there are areas in which the Panamanian market does not naturally produce trained personnel. In these areas, the commission is making great efforts to achieve the objectives it set out to accomplish. As an example, a specific skill is being a canal pilot in training.

Since Panama does not have its own merchant marine because shipowners, who flag their ships under the Panamanian registry, are all foreigners. It is difficult for officers who graduate from the Nautical School to meet the experience requirement in the high seas to become canal pilots. To overcome this problem, the commission has created internal training programs for future pilots

and it has conducted successful efforts in foreign merchant marine schools to speed up the training of Panamanian pilots. The way these programs are being conducted shows us that it is very possible that by the year 2000 we will have a 100-percent Panamanian pilot force.

However, these things are not vital for the canal's operation because the world produces people trained in this skill and if for some reason in the year 2000, not enough Panamanian personnel have been trained to assume 100 percent of the pilot force, the Republic of Panama will always have the option to go to the international market to hire the ones that are needed.

Other areas in which Panama does not produce trained personnel are areas that specialize in certain jobs, such as heavy industry, which exists in the canal's operation. This is because Panama is not a country with heavy industry. However, the PCC has facilities to train technicians, who have graduated from technical schools in Panama. In this regard, there are highly trained personnel to perform maintenance work on huge electrical engines and on parts for maritime equipment, such as dredging machines and other types of heavy equipment. Many of these parts need to be manufactured by the PCC itself because some of them are not manufactured anymore or because it takes too long to manufacture them. As you can see, the PCC has a series of programs which have contributed to giving the Panamanian labor force more opportunities to find jobs with the canal.

[Estribi] What significance does the presence of a Panamanian director heading the Panama Canal Commission [PCC] have for Panamanian interests?

[Guardia] In my opinion, the importance of having a Panamanian as canal administrator at this time is that it sends a message to canal users that having capable and efficient Panamanians managing the canal is not an impossible task. What this reaffirms is that Panamanians can in fact handle the canal after the year 2000.

Another important factor, from the Republic of Panama's viewpoint, is that the next nine years will be a period of transition. Part of that transition will be made within the PCC itself, which must be prepared to make an effective transfer in the year 2000. Panama must do its part by preparing itself to receive the canal. It must have the necessary laws and structures to effectively assume the total responsibility of the canal's administration and operation. In that regard, the Panamanian administrator will have to play—and I am sure he will—a role in cooperating with and helping the Republic of Panama achieve that great goal effectively and without any traumas. That is our future task, and that is why having a Panamanian administrator is important for the Republic of Panama.

[Estribi] Has the change of the PCC administrator's nationality resulted in any type of friction or uneasiness with the foreign personnel who currently work there?

[Guardia] No, it has not caused any friction or uneasiness. I can honestly say that I have found a great deal of cooperation from all the U.S. personnel who work at the PCC. I have also found a high level of morale among the personnel—Panamanian as well as U.S.—and a large capacity for team work. It is this team of people that make the canal work. There is a great spirit of cooperation and participation, and there is a will to successfully transfer the control of the canal to Panama. Therefore, in this regard there definitely is a great spirit of cooperation toward the Panamanian administrator.

[Estribi] What would be the most efficient and practical method for the Panama Canal's neutrality to be respected?

[Guardia] This is a political issue in which I, as the canal administrator, am probably not the best person to voice an opinion on this subject. Nevertheless, I believe that all Panamanians consider that the canal's neutrality is its greatest security. This neutrality can be achieved if the disposition exists. I think that the majority of the nations which use the inter-oceanic waterway have an interest in keeping this canal open and working efficiently and securely, as this is a means of maritime transportation of vital importance to them.

How to guarantee the canal's neutrality and how to do this efficiently is a political issue in which I do not see any great difficulties. Besides, recent international trends favor this neutrality. In the Soviet Union and the United States, we see a tendency toward a reduction of arms. Therefore, everything seems to indicate that the Panama Canal's effective neutrality is developing naturally and there should be no great difficulties in this regard.

[Estribi] Mr. Guardia, do you wish to add anything more to this interview?

[Guardia] I only want to thank Luis Estribi for this interview. Through this interview I have had the pleasant opportunity to get across to EL DIARIO INDEPENDIENTE and its readers some of my opinions on the canal operation as well as on the preparations made and those which should be made to successfully conclude the transfer of this responsibility to Panama. Thank you very much.

Comptroller General on Financial Situation

PA2102034291 Panama City EL PANAMA AMERICA
in Spanish 12 Feb 91 p 4a

[Article by Comptroller General Ruben D. Carles, Jr.—
"A Financial Proposal, Without Ideology or Political
Interests"]

[Text] One of the main problems for the Panamanian people is the excessive public debt, which weighs ominously on the state and government personnel and stifles operations and limits development. We have a public

debt of over 6.2 billion balboas: 4 billion balboas in foreign debt and the remainder, 2.2 billion balboas, in internal debt.

The situation breaks down as follows:

Debt to international organizations	1.7 billion balboas;
Debt to private organizations	2.3 billion balboas;
Total Foreign Debt	4.0 billion balboas;
Internal Debt	2.2 billion balboas;
Total public debt	6.2 billion balboas.

Due to the nature of these obligations, we must pay our entire debt to the international organizations. Almost all our obligations with private organizations are with private banks in foreign countries. Since the debtor—Panama—did not comply with the debt payments, the debt has been classified as in default and the banks consider it a loss or maintains it [on their books] at its residual value. This is why loan documents from private banks can be bought at a price that is far below the original, or nominal, value. The situation is the same with most Third World countries that did not meet their commitments to international private banks—they are now in arrears and have lost their ability to obtain credit due to nonfulfillment of their obligations.

In Panama's case, one balboa in debt can be bought for 15 to 18 centesimos. However, approximately 450 million balboas of our debt has a higher value and must be subjected to special adjustments. As the market stands today, Panama needs approximately 550 million balboas to pay our outstanding debt of 2.3 billion balboas to private international banks in the United States, the UK, Germany, Japan, France, and other foreign countries.

Every year we must include an allotment in the government budget to pay for debt servicing. The allotment was not included in the budget for several years, and even when it was included, nothing was paid. This was the case from 1987 to 1989.

We cannot refuse to pay the debt. We cannot stay in arrears indefinitely, because the capital debt remains and the interest on the debt accumulates. We must find a solution among the variety of options offered to us. This matter is being attended to by the Planning and Economic Policy Ministry with much interest and attention.

As I am concerned that the renegotiation process of the debt could take too long and that our public finances will continue to suffer the pressure of servicing the debt, I have studied the possibility of the Republic of Panama buying the debt on the market. That is, we fulfill most of our commitments to the international banking sector by purchasing the debt for less than the nominal value of the Panamanian debt.

We do not have the cash available to do this. Also, it will not be easy to obtain new loans to pay the bankers. The nonfulfillment of commitments by the government of

the dictatorship has jeopardized our credit and currently we are unable to pay these obligations with government resources.

We know, however, that for any public or private organization, as well as for any individual, debts should be accepted and ways should be sought to pay them off. That is why it would be proper to sell some state-owned assets, and with the money received from the sale, pay off a significant portion of the debt. Fortunately the country has many assets, among which are some with a great number of problems, and others that are in a better condition. Of course, it is easier to sell something that is in satisfactory condition or that can be improved, rather than something that has problems or is run down.

This is why I have proposed that the government sell the state-owned Intel [National Institute of Telecommunications], and I have suggested that it be sold for 1 billion balboas, which would allow us to buy on the international financial market the private foreign debt. We would need approximately 550 million balboas to repay the 2.3 billion balboas we owe private sources. We would then have a balance of 450 million remaining that could be used in subsequent years to attend to basic services such as education, housing, health, roads, and other urgent needs. The most important point is that we would thus eliminate yearly interest and principal payments. In 1990, the budget included 289 million balboas to service the debt and 188 million balboas for interest payments. Therefore, for several years we would have available the sum we have earmarked to pay private banks for servicing the debt. This is many times what Intel could normally earn for the government (50 million balboas per year). Those who object to my proposal cite political reasons and some of these objections smack of ideology. This is something exclusively financial. For many years we would save a hefty amount in debt servicing. In addition, we would cancel obligations that affect our credit and we would have available funds for government use.

Many countries have adopted measures to privatize state enterprises. It is then very simple to pay debts with the sale of enterprises that were financed through credit. In Chile, Argentina, Mexico, and Venezuela public service enterprises such as telephone companies have been or are being sold, and in no way has this become a problem, either of sovereignty or social services, because they are entirely different things. Neither can we say that jobs will be eliminated just because a state enterprise is privatized, but it is true that workers become more efficient and there are no excess or redundant personnel. Labor laws, tax aspects, and the regulation of public services are different topics, but our proposal is strictly financial and should be analyzed in those terms. That is why I publicly insist that the topic be examined.

I need to reiterate that I have only proposed Intel's sale. I have not mentioned any other state enterprise that

supplies basic services. The privatization process in other sectors has its merits, but it is not being examined in this article.

Venezuela Refuses To Extradite Former Colonel

PA2002144191 Panama City CRITICA LIBRE
in Spanish 16 Feb 91 p 1

[Luis Gaitan V. report]

[Text] The Venezuelan Foreign Ministry has refused to extradite Roberto Diaz Herrera, a former Panama Defense Forces' colonel who was implicated in Dr. Hugo Spadafora Franco's murder case, according to CRITICA LIBRE's sources.

Prosecutor Carlos Agustin Herrera confirmed this information in a telephone interview with CRITICA LIBRE, adding that the Venezuelan Foreign Ministry had communicated this recently.

The Attorney General's Office had recommended that Panama present the extradition request to Venezuela given that Herrera is considered an alleged accomplice in the aforementioned case. Diaz Herrera's conduct was considered suspicious from the time of Spadafora's murder up until the coup staged against former President Nicolas Ardito Barletta. Barletta had agreed to form a commission to investigate the Spadafora case.

CRITICA LIBRE also learned that the Panamanian Foreign Ministry is trying to bring former Col. Diaz Herrera to trial before the Third Court of Justice, where the case is being tried. There are 20 other persons implicated in the Spadafora murder case.

Grants Safe-Conduct

PA2002155191 Panama City Circuito RPC Television
in Spanish 2300 GMT 19 Feb 91

[Text] The Foreign Ministry announced this afternoon that the Venezuelan Embassy has granted provisional asylum to Eulalio Romero Diaz, who participated in the foiled coup d'etat led by former Colonel Eduardo Herrera Hassan.

The Foreign Ministry communique states that the crimes attributed to Eulalio Romero Diaz are clearly of a political nature because they involved actions aimed against the state's internal structure.

Based on the Caracas Convention dated 25 March 1954, the Foreign Ministry granted the refugee safeconduct so that he may leave Venezuela with assurances that his physical welfare and his freedom will be respected by the national authorities.

Banking Leader Supports Agreement With Britain*PA2002210691 Panama City CRITICA LIBRE
in Spanish 20 Feb 91 p 7*

[Text] Consulted by the foreign minister about the most important aspects of the Mutual Legal Assistance Agreement proposed by the United Kingdom to the Panamanian Government, Edgardo Lasso Valdes, president of the Panama Banking Association, has sent his response in favor of the agreement based on the following points:

- a. It deals exclusively with the crime we are all prepared to fight: the illegal trafficking of narcotics and psychotropic substances;
- b. It does not violate Panama's sovereignty by imposing laws alien to our legislation and especially to our culture;
- c. It establishes judicial steps in the requisitions, thereby protecting the individual and constitutional rights of due process of the affected party;
- d. It adheres to the provisions in force in our country.

In his judicious reply to Foreign Minister Julio E. Linares, the Banking Association president also urged the government to sign the agreement as soon as possible, unless it has received better suggestions or other reasons for not doing so. Its signature would be proof of our country's willingness to sign agreements and to undertake other forms of international legal cooperation which are consistent with the institutions and interests of the Panamanian nation.

Private Consortium in Line To Buy State Airline*PA2102003891 Panama City LA ESTRELLA
DE PANAMA in Spanish 19 Feb 91 pp 1A, 2A*

[James Aparicio report]

[Text] Finance Minister Mario Galindo disclosed on 18 February that the U.S.-Panamanian consortium Panama Air, having fulfilled all government specifications, has been selected as the possible buyer of state-owned Air Panama, Incorporated.

Panama Air, a consortium headed by Joaquin Vallarino III, George Novey III, U.S. businessman Rolling King, and the New York consulting firm S.H.E. [expansion unknown], must begin direct negotiations with the government once the Council of Ministers is informed of the decision on 20 February.

The definite plan to privatize Air Panama was initiated with its closing on 22 January 1990. Subsequently a bid was announced which failed due to the inaccuracy of the financial report prepared by a private firm commissioned by the Ministry of Finance.

According to a ministry spokesperson, a five-member commission analyzed several proposals presented by Bradford Marine, Avron, COPA [Panamanian Aviation Company], and Panama Air in November 1990.

In its proposal, Panama Air has pledged to initiate operations by organizing departments, updating permits, and negotiating with the authorities where it intends to fly.

According to a proposal submitted to the Finance Ministry, Panama Air would initiate flights with two Boeing 737-200 aircraft, and purchase two more within the next two years. In the fourth year, it would add two more 757-200's to its fleet.

Air Panama has approximately 300 employees and the union headed by Elizabeth Alvarez has favored the proposal presented by Bradford Marine, despite the fact that it was rejected in its first evaluation because it did not offer sufficient guarantees. According to the ministry spokesperson, COPA and Panama Air presented the best proposals, which ultimately led to the selection of Panama Air.

Soviet Requests Asylum; Accepted as 'Guest'*PA2102043391 Panama City Circuito RPC Television
in Spanish 2300 GMT 20 Feb 91*

[Text] The Panamanian Government provisionally accepted Soviet citizen Larisa Vladil Irona, age 35, as a guest after she tried to enter the U.S. Embassy in Panama City on Monday to request political asylum.

Foreign Ministry adviser Julio Berrios said that Vladil Irona allegedly jumped from a Soviet ship at high sea and swam several kilometers until she reached the shores of Colon Province on the Atlantic coast.

U.S. Embassy spokesmen said that she is a guest of the Panamanian Government and is under its custody, although they clarified that U.S. diplomats are willing to converse with her regarding her political asylum.

Former Attorney General Now Under House Arrest*PA2102142891 Panama City Circuito RPC Television
in Spanish 2300 GMT 20 Feb 91*

[Text] Late this afternoon Modelo Jail Director Merardo Castellon issued a statement on the departure of former Attorney General Carlos Villalaz from Modelo Jail:

[Begin Castellon recording] We received written communication No. 554 from Argentina Barrera Flores of the 7th District Attorney's Office of the 1st Circuit Court. This note orders the release of Carlos Villalaz. His arrest warrant has been exchanged for a precautionary detention order, which is regulated under Law No. 3 of 22 January 1991. The precautionary detention order calls for Mr. Villalaz' house arrest. As I have already explained, this order is based on the law, and I, as the official in charge of this penitentiary, must obey the appropriate authorities. [end recording]

U.S. Reportedly Dumping Nuclear Waste Off Coast
PA2002162691 Panama City EL SIGLO in Spanish
19 Feb 91 p 5

[From the "Leaks and Tips" column]

[Text]**Radioactive Abyss**

Did you Panamanians know that one of the four deepest ocean abysses was located off the coast of Panama? We

did not know this either, but it is located in the Parita Gulf on the Pacific side. Anyway, residents of the area have condemned, in front of our offices, U.S. military vessels for dumping large cement blocks in that area. The cement blocks presumably have radioactive waste material from nuclear plants in the United States. We are investigating the validity of this news. We also just received another report from a physics expert, which we will shortly make public.

Argentina**Foreign Minister on U.S. Position, Resignations**

*PY2202025691 Buenos Aires Argentina Televisora
Color Network in Spanish 0122 GMT 22 Feb 91*

[Interview with Foreign Minister Guido Di Tella by Mariano Grondona on the "Key Hour" program; date not given—live or recorded; monitored in progress]

[Text] [Di Tella] ...that is, the problem involving the respect that nations should have for borders and for the sovereignty of nations, and those are subjects that really concern us. Yet I do not mean to be a Persian Gulf strategist who can provide a different interpretation of the dilemmas that the main allies have confronted on the subject of a lasting peace. We understand and support a lasting peace.

[Grondona] You do not want to adopt the misguided attitude of considering Argentina a power, right?

[Di Tella] Right. Well, I believe that this new Argentine role should not confuse us. We are a country very far from the centers of power. We have enormous difficulties and we want to overcome them. In 20 or 30 years, the successor to the successor to my successor could take stronger action in situations which now seem to be far beyond us.

What we really want today is to consolidate our position and defend the national interest. Sometimes we do things like this, which seem a bit far off but which we would like to have closer to us. But we do not want to adopt a misguided position and believe that now we are a power that necessarily has to debate problems that actually extend far beyond us.

[Grondona] Would you say that realizing that we are not that great could help us again become a great nation?

[Di Tella] Well, that is the real point, because the fact that we agree to the current situation does not mean that we will agree to it for ever.

[Grondona] Sure.

[Di Tella] That is the starting point. To believe we are something that we are not would lead us to delusion, a situation in which we have lived for decades.

[Grondona] You know that some people charge you with being pragmatic, do you not? Do you read the editorials?

[Di Tella] Do they?

[Grondona] Yes....

[Di Tella, interrupting] I thought they were praising me....

[Grondona, interrupting] No, no. They make the charge on the grounds that you said that we do not belong to the

Western world and that we have sided with the West because it is advantageous for us from a pragmatic viewpoint.

[Di Tella] Well. [laughs] We have our own cultural roots, but we will not argue about it now, right? That is, we are a country in the Western world and there is no doubt about it.

Yet the alliances that we are making in the Western world are being made because they are consistent with our interests. I do not mean an interest that is hidden but rather the concrete interest of our people, our producers, our businessmen, our traders. We are not looking for something undefined.

That is the national interest. And we are not ashamed of doing it. Our national interest has given shape to our concept of international policy.... [changes thought] The policy of defending the national interest has given shape to an ethical position, because we are interested in the people around us, the people who are in this studio, the people who are listening to us. Those are the people in whom we are interested.

Does that mean a choice? It certainly does! International relations are not far from the interest of the people. International relations are designed for them, for the people, for the common man.

[Grondona] Let me ask you one last question on diplomatic issues and I will then ask a political question, because I cannot help it and you cannot help it either.

[Di Tella] [laughs]

[Grondona] If this war ends the way it is apparently going to end, will the United States not emerge as a nation that is too powerful and too important, almost an arrogant nation that can be the only superpower, the world's policeman? They establish order among the people in the Persian Gulf, they establish order with Saddam. The USSR has not appeared on the other side, there is no counterbalance....

[Di Tella] Look, there is a situation that is quite surprising. Today there are three great centers of power in the world: Europe, the United States, and Japan. But of those three, the one that has grown more slowly and that has lost its relative position is the United States.

[Grondona] In the economic field.

[Di Tella] In the economic field. Its overall power is decreasing with respect to the other countries. But the other two sets of nations—one nation and a set of nations—certainly do not want to assume the role that one would imagine to be proportionate to their power.

[Grondona] They do not want to be the sheriff [preceding word in English].

[Di Tella] This is rather abnormal, but it is the actual situation; that is, the United States is playing a preeminent role despite the fact that it is now in a relative decline—at least now, because one cannot make predictions for 20 or 30 years ahead.

We are in a cycle marked by those relative economic positions. Yet Germany is opposed to adopting a preeminent position in the world, as is Japan. They justify their attitude based on past situations, which is correct. However, this attitude will not be permanent.

At this time there is sort of dichotomy between the evolution of the economy and the evolution of political power. The United States certainly has very great political power. I do not know whether the United States wants to assume that role. Now it has clearly assumed it, or it has assumed it out of necessity, but....

[Grondona interrupting] I have the impression that Bush's ultimate goal is to allow the United States to again play a significant role in the Gulf which, in their opinion, should be in keeping with the country's standing; that is, to make the people regain their faith, to overcome the Vietnam trauma. In sum, to bring the nation back into the focus.

[Di Tella] Well, I do not know if that was his initial intention. I do not believe the United States thought this conflict out. It seems that what you said will be a consequence of the war. I believe it is very important that moderate voices—which prevail in the United States—do not get carried away in the face of this presumed Pax Americana that is in the making....

[Grondona, interrupting] That they do not surrender to the collective narcissism.

[Di Tella] Let us hope that if there has to be a Pax Americana, it will be very different from previous ones. This is a concerted effort of nations, and legal principles affecting nations are now in force that did not exist at the time of previous Pax Americanas.

[Grondona] I promised you that I was going to ask you a political question and I will keep my word.

[Di Tella] Will it be a prudent question?

[Grondona] No, the question, no. Perhaps the answer could be a little bit....

[Di Tella, interrupting] In my case, I have always been extremely prudent. There can be no doubt about that.

[Grondona] I have been watching that exclusive program. Have you seen it? Granillo Ocampo and Arias resigned today. Ikonikoff resigned yesterday or the day before. Two days ago Menem was riding in his Ferrari; yesterday Menem went to the Trappist monastery. It seems as though the government is sliding, as though it is skating on ice.

[Di Tella] I do not see the situation that way at all. I believe that there has been remarkable progress and changes during the first, second, and third six-month periods of the government. It is very complicated to organize a government, even under normal circumstances. Adjustments are necessary, not only of groups but of people. This is what has been happening. The conflict stemming from today's resignations is unfortunate, especially since the resignations were the result of a very disquieting problem. Despite the abilities of these individuals, they obviously cannot continue to stay in office.

It is also important to note that there could be greater harmony in the government as a result of this unfortunate problem. I believe the government is following a very positive trend. I do not see any sliding on ice. I truly do not see it. I do not see any backtracking anywhere, as would happen in the skating on ice you are suggesting.

[Grondona] The impression one gets is that the president, even though he is making better decisions, is himself unstable. In that case one believes that even if an aide is good, he is not going to last.

[Di Tella] You are talking about two things that are altogether different. You are talking about the changes in the government, shall we say, and the tough measures adopted by the president in conflict situations. The fact that he seems to have become tired of tolerating conflictive situations is, in my opinion, rather positive. In so doing, he is not being unstable because he is not generating new situations. I believe he is....

[Grondona, interrupting] Acting with greater severity.

[Di Tella] There is no doubt about that.

[Grondona] He who makes a mistake has to pay a price for it.

[Di Tella] He who makes a mistake has to pay a price for it. This is a rule followed by any good government. It can be painful at the beginning and there can be loyalty problems, but I believe the president is differentiating....

[Grondona, interrupting] Would you say that the president is becoming tougher because in the past it was hard for him to do so?

[Di Tella] I believe he has been quite tough from the very beginning, but it was obviously harder for him in the past. I believe the government has stabilized. Just evaluate it semester by semester. Who can say that there has not been remarkable progress, that many achievements have not been made, and not only on the domestic front, such as the privatizations. We have broken the taboo that privatizations were unfeasible. In the past, it used to be said that no one could privatize anything, not even the television stations here. Well, now the television stations are being privatized.

Granted, there have been flaws in these privatizations. The first privatizations will be the ones with the most

loopholes. Major changes have been introduced in the area of toll roads. The last privatization we will be conducting in November 1995 will be the best of all. But, before getting there, we will have to pass through this stage, which is progressing very positively.

This does not mean that we do not have serious problems, economic problems for people who do not make enough to last until the end of the month. I do not want to speak here about an imaginary Argentina which is out of keeping with the one the people see every day. Yet, to change the disastrous situation we inherited, the point reached in the Argentine decline, to reverse this is a gigantic job that should be undertaken by all Argentines, not just those in the government or President Menem alone. It is a job for all the Argentine people. This process is under way. We have a certain, promising future. We will not get there tomorrow. Perhaps we will get there in two or three years. We are absolutely sure we will get there in five or 10 years.

[Grondona] Di Tella, were you very prudent?

[Di Tella, laughing] What do you want....

[Grondona, interrupting] Please do not be too prudent. Please make some imprudent remark. For instance, will there a Cavallo plan in 15 days?

[Di Tella] There is a Cavallo plan today.

[Grondona] You are being too prudent. I hope you will be less prudent next time.

[Di Tella] Well, very good.

[Grondona] We will be back.

Communists Condemn 'Imperialist Massacre' in Iraq
PY2102173091 Buenos Aires CLARIN in Spanish
20 Feb 91 p 20

[Paid advertisement issued by the Central Committee of the Communist Party of Argentina on 19 February 1991, entitled: "The Imperialist Massacre Must Be Stopped."]

[Text] Argentina is at war. Menem's Government has involved our country in a war of conquest and aggression that has been unleashed by the U.S. imperialism.

The United States, seeking to impose its power in the world as part of the New World Order announced by Bush, is once again resorting to the mass assassination of an entire nation.

Now the imperialist horror has been unleashed against Iraq and other Arab peoples, as shown by the bombings of the civilian population, murdering hundreds of men, women, and children. This treacherous fact has shocked the whole world which wants to stop the criminal hand of imperialism and to achieve a peaceful solution to the conflict. This has been proposed by several nations at this moment, including the Iraqi Government.

All peace proposals are rejected by the Bush Administration which seeks the unconditional defeat of Iraq and the Arab peoples within the framework of its plans to subjugate all third world countries.

Menem, his congressional supporters, and those of the radical opposition have dragged us to this infamous and genocidal war which is totally opposed to the interests of our fatherland, thus violating the traditional feelings of our people, against war and in favor of solidarity, by placing Argentine ships under the command of those who yesterday murdered our sons on the Malvinas Islands.

This policy of Menem is consistent with his betrayal of the people's confidence and of the economic, social, and political demands he promised to resolve. In fact, the government has unleashed a war against the people through unemployment, puny salaries, miserable retirement benefits, a crisis within the health and education sector, the repression of the workers struggle as in the case of the railroad workers strike, and a pardon for the assassins of military dictatorship.

No one can be neutral or indifferent to this dramatic and important moment in our history.

To fight for peace and against Bush and Menem's war means to develop solidarity with the Iraqi people who are defending their right to live, their sovereignty, and their national independence in the face of aggression. It also means thoroughly rejecting the liberal government hunger projects, a policy that supports relinquishing our national wealth and rights to foreigners, and that supports the Gulf war!

Let us build a widespread movement against war and aggression and against our participation in it.

With all of our strength and energy, let us join the efforts for peace and support the anti-imperialist spirit of the Argentines, of other Latin American peoples, and of other peoples of the Third World in every continent who are making their voices heard!

This is why we call for:

The end of the imperialist massacre!

An unconditional cease-fire in the Gulf!

The immediate withdrawal of all the coalition troops commanded by the United States!

An international peace conference to solve all the Gulf region problems and to ensure respect for the self determination of local peoples, their sovereignty over the natural resources of their region, and especially the search for a definitive solution to the postponed and overlooked rights of the Palestinian people!

Government Expands Pardon for Montonero Leader

PY2002223291 Buenos Aires BUENOS AIRES
HERALD in English 19 Feb 91 p 11

[Text] (DYN)—The Government yesterday expanded the pardon given for ex-Montonero terrorist leader Mario Firmenich to include further charges against him in Decree 285, which is signed by President Carlos Menem and Education and Justice Minister Antonio Salonia.

The former terrorist had already been pardoned through Decree 2742 signed last December and amongst whose reasoning was included "the necessity for the government to contribute to the process of pacification to which the truly representative sectors of the nation are committed."

The new decree was issued after San Isidro Judge Alberto Piotti asked Interpol for the arrest of Firmenich, who is in Brazil.

The move had already been anticipated by the President in his press conference last Friday [15 February].

Justice Officials Resign

PY2202014091 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0054 GMT 22 Feb 91

[Excerpt] Buenos Aires, 21 Feb (NA)—The social uproar provoked by pardons granted to some 20 common criminals, some of whom have been described as extremely dangerous, unleashed a cabinet crisis tonight and prompted the resignation of two secretaries and a partial reversal of the pardons by President Carlos Menem.

Menem tonight accepted the resignations of Legal and Technical Secretary Raul Granillo Ocampo and Justice Under Secretary Cesar Arias in an effort to alleviate the pressure brought upon the government from various social sectors, including Congress and the judicial branch, as a result of the pardons.

A senior government official said the president was forced to withdraw the pardons in at least two cases only two hours after noting that he did not believe the pardons would pose "any threat to society." [passage omitted]

National Health Administration Head Resigns

PY2002223491 Buenos Aires BUENOS AIRES
HERALD in English 19 Feb 91 p 1

[Text] (NA-DYN)—Head of the National Health Administration (Anssal) Moises Ikonikoff resigned from office yesterday supposedly as a direct result of the repercussions following the incident he was involved in with an employee of the private airline Austral.

President Carlos Menem announced the resignation at an unexpected press conference at his Olivos residence

where he stated that Ikonikoff's step down "was accepted in principle," with the proviso that a definite decision would be taken today.

Ikonikoff had last week stated that he could only be removed from Anssal "if they take me out feet first."

Menem condemned Ikonikoff's display of anger at the airport last Friday [15 February] when he had threatened an employee with dismissal.

Union leader Guerino Andreoni is reportedly tipped to replace Ikonikoff, a move which has been interpreted would significantly improve the relationship between the governing party and the CGT-San Martin of which Andreoni is the present secretary-general. [sentence as published]

General Confederation of Labor Selects New Leader

PY2102155691 Buenos Aires TELAM in Spanish
2005 GMT 20 Feb 91

[Summary] Buenos Aires, 20 Feb (TELAM)—Raul Amin, assistant secretary of the San Martin faction of the CGT [General Confederation of Labor], has been installed as the head of the national CGT. He replaces Guerrino Andreoni who resigned to become head of the ANSSAL [National Health Administration].

Soviet Water, Pollution Consultants Arrive

PY2102125691 Buenos Aires TELAM in Spanish
1423 GMT 19 Feb 91

[Text] Bahia Blanca, 19 Feb (TELAM)—A group of four Soviet technicians of the Tekhnosport Enterprise arrived this morning to begin work on expanding the running water service to Bahia Blanca and Punta Alta. Their work is contemplated in an agreement reached in July 1990 with the Buenos Aires Province Sanitary Works [OSBA].

One possibility to be studied involves the construction and financing of a second 100,000-liter reservoir at the local OSBA installation.

The technicians will also study the installation of a sewage treatment plant, and they will review the river pollution problem that is already being studied by a special commission of technicians and government officials.

Before deciding on basic and definitive solutions, the critical issue of facilitating, in the short term, an increase in the drinking water supply to the two cities will be reviewed.

These measures have been planned by the provincial officials because, after almost 20 years of operation, the Paso de las Piedras dam and aqueduct, is reaching the limit of its supply capacity.

Bolivia

Police Accused of Blackmail in Finsa Drug Case

PY2102235691 Madrid EFE in Spanish 0037 GMT
20 Feb 91

[Excerpts] La Paz, 19 Feb (EFE)—The Bolivian Government today backpedaled in its judicial process against a finance company allegedly linked to drug trafficking by releasing the company's bank accounts and suspending the arrest warrant against its owners.

Through these measures the government is trying to alleviate the fears of the 10,000 small savings account holders who deposited their money in the Arevalo General Services Company (Finsa). These people have been trying unsuccessfully to recover their money over the past few days.

Information Minister Mario Rueda Pena said at a news conference: "The owners of the company can call from their hideouts and order their employees to withdraw money from some banks to return it to the legitimate owners or depositors." [passage omitted]

Nelson Arevalo, Finsa's reported president, appeared on one of the company's television channels on 18 February to report that he was the victim of a blackmail plot by members of the antinarcotics police.

The Cochabamba press today published a message by Arevalo which states: "They have asked for \$100,000 for the small planes, which I did not give them. That is why I am in this situation, gentlemen."

Social Defense Secretary Gonzalo Torrico, who is in charge of coordinating the antinarcotics battle, said on 18 February that if Arevalo identifies the agents who allegedly blackmailed him, they will be punished.

Brazil

Collor Visits Antarctic, Comments on Treaty

PY2102112891 Brasilia Domestic Service
in Portuguese 2200 GMT 20 Feb 91

[Recorded passages in quotation marks]

[Text] President Fernando Collor de Mello has stated that his visit to the Antarctic confirms the full integration of his government with the objectives shared by the other signatories of the Antarctic Treaty of almost 30 years ago.

[Collor] "Like those countries, Brazil has assumed the commitment of guaranteeing this immense continent a future dedicated to peace and science, free of any military activity and of any risk of nuclear contamination."

President Collor stated that the objectives of the treaty are being fulfilled and that the signatories are now concerned over preserving the Antarctic, safeguarding its

original characteristics from the effects of an increasing human presence in the region.

[Collor] "The gradual process of learning about this territory, the scope of which awakens the respect of its scholars, makes us understand the importance of its contribution to our survival on this planet. Thanks to the freedom of scientific research provided for by the treaty, the Antarctic is the object of special interest into research into life, the earth, and the atmosphere.

"We thus have better knowledge of this continent which has a fundamental influence on the climatic conditions of the world and which encompasses almost half of the living resources of the oceans."

President Collor reaffirmed Brazil's commitment to the objectives of the Antarctic Treaty, in which it has been involved since 1983.

[Collor] "We are continuing a high level of scientific activity and I am pleased to emphasize the research we have conducted on the ozone layer and our biological research on krill. The devotion of some civilian sectors of Brazilian society, where we can see the outstanding presence of the national scientific community and of several official institutions, has resulted in effective cooperation and the full development of our Antarctic program."

Collor noted that the presence of the Brazilian base shows our involvement in the Antarctic continent.

[Collor] "Protected by a small group of men of the Brazilian Navy and housing representatives of the scientific community in both summer and winter, the Commander Ferraz Base does not surprise those who, like myself, have heard references made to this base, notably by international ecological organizations."

President Collor added that the compliance with the objectives of the Antarctic Treaty by those who implement the Brazilian program, reflects the efforts by his government to guarantee for future generations this exemplarily preserved microcosm of nature.

Returns From Antarctic

PY2202004491 Brasilia Domestic Service
in Portuguese 2200 GMT 21 Feb 91

[Excerpt] After visiting Brazil's base in the Antarctic, President Fernando Collor de Mello returned to Brasilia early this morning. He arrived at Government Palace at 0900 for his regular daily activities and meetings.

President Collor landed at the Brasilia airbase early this morning after his visit to the Antarctic. Nevertheless, he arrived as usual at Planalto Palace to carry out his regular duties. At 0900 he received Economy Ministry Executive Secretary Joao Maia and Economic Policy Secretary Antonio Kandir. They reported on the government negotiations with Congress for an agreement on

salary policy and the situation of the Autolatina enterprise, which is threatening to dismiss some 5,000 workers. [passage omitted]

Collor's Criticism of Party Performance Denied

*PY2202023091 Brasilia Domestic Service
in Portuguese 2200 GMT 20 Feb 91*

[Excerpts] Justice Minister Jarbas Passarinho has denied reports that President Fernando Collor criticized the performance of the PFL [Liberal Front Party] in Congress.

During a visit to Congress early this morning, the justice minister denied reports that President Collor criticized the performance of the PFL, the pro-government party, in a conversation with political scientist Helio Jaguaribe of the PSDB [Brazilian Social Democracy Party].

Passarinho said he made a courtesy visit to government leaders in the Chamber of Deputies and the Senate and that he took the opportunity to iron out any misunderstanding between the executive branch and its party bloc in Congress. [passage omitted]

The justice minister is the government's political coordinator and his appearance at Congress is evidence of President Collor's firm desire to improve the rapprochement between the executive and legislative branches to guarantee approval for his measures. Passarinho attributed the report to people interested in creating a network of continuous intrigue.

Cuba Seeks Rapprochement With Latin America

*PY2102123891 Sao Paulo FOLHA DE SAO
PAULO in Portuguese 17 Feb 91 p 12*

[Text] Brasilia—Brazilian Foreign Minister Francisco Rezek has stated that Cuba is increasingly closer to a dialogue with Latin America. He said that Fidel Castro's new approach will probably lead Cuba to sign the Tlatelolco Treaty that restricts and bans the use and manufacture of nuclear weapons in Latin America.

The Cuban Government, which is a member of the International Atomic Energy Agency, advocates cooperation with Brazil, Argentina, and Mexico, countries that are developing various nuclear technologies. Brazil will manufacture the radioactivity safety system for the construction of the first Cuban nuclear plant.

Autolatina Suspends Layoff of 5,000 Workers

*PY2202010291 Brasilia Domestic Service
in Portuguese 2200 GMT 21 Feb 91*

[Text] Autolatina has decided to suspend the dismissal of 5,000 workers. After five hours of intense meetings with metalworkers union leaders of the ABC [Sao Paulo industrial areas of Santo Andre, Sao Bernardo do Campo, and Sao Caetano do Sul], the Autolatina board

decided to suspend the layoff of 5,000 workers from its Volkswagen and Ford units.

No workers from these assembly units will be dismissed for 15 days. Those workers who decided to voluntarily resign will also be able to review their position, according to the decision of the union leaders and employers. More than 3,000 workers decided to voluntarily resign.

Thousands of Striking Dockers Fired in Santos

*PY2102134091 Madrid EFE in English 0037 GMT
21 Feb 91*

[Text] Santos, Brazil, Feb 20 (EFE)—A Brazilian docking company said Wednesday [20 February] it had started sacking thousands of workers whose two-week-old strike for increased wages has severely hit the country's largest port at Santos, just south of Sao Paulo. Sao Paulo Docks Company chief Paulo Peltier de Queiroz said he had begun to dismiss 5,300 of the 6,000 workers on strike after the expiry of a deadline demanding that they return to work on Wednesday. De Queiroz said the company had lost some \$16 million due to the stoppage.

The dockers want a 158 per cent salary increase while the Regional Labor Tribunal, which last week denounced the strike as illegal, has only offered them a 33 per cent hike. Trade union sources said the dockers would occupy port buildings on Thursday to protest the sackings.

New Measures Adopted To Reduce Meat Shortage

*PY2002020291 Rio de Janeiro Rede Globo
Television in Portuguese 2300 GMT 19 Feb 91*

[Text] Two new measures were adopted today in Brasilia to reduce the meat supply crisis. Meat packing plants will be able to export only half of their regular quotas and slaughter houses have been allowed to import meat from Argentina and Uruguay.

*** Campos Basin Potential, 1990 Reserves Viewed**

*91SM0173B Sao Paulo GAZETA MERCANTIL
in Portuguese 29 Dec 90-2 Jan 91 p 23*

[Article by Fatima Belchior: "Campos Basin's Production Potential Increased by 400 Million Barrels"]

[Text] Rio de Janeiro—The Campos Basin, which is the country's largest petroleum producing region and the site of reserves totaling 1.9 billion barrels, is ending the year with a potential for 400 million more barrels. That entire additional volume is due to discoveries throughout 1990 in a new section of the basin along the Rio de Janeiro coast. That section, known as the central zone, is in intermediate waters whose depth is less than 1,000 meters. Petrobras [Brazilian Petroleum Corporation] previously discovered petroleum in the Campos Basin area at a depth of close to 1,500 meters.

That information was announced on Friday by Petrobras' director of exploration and production, Joao Carlos Franca de Luca, as he announced the discovery of a new field in the Campos Basin. That discovery resulted from drillings in Well 4-RJS-440, located in areas with a potential for 120 million barrels of petroleum in recoverable reserves (that is, the quantity that can actually be extracted).

During 1990, when petroleum production totaled around 240 million barrels (653,000 barrels per day), Petrobras discovered 406 million barrels in the Campos Basin and another 320 million barrels in the Santos Basin. That adds up to about 720 million barrels, a quantity that will not be immediately incorporated into the nation's reserves of 2.8 billion barrels (the balance in June). Before that happens, Petrobras will drill more wells to delimit the areas worked, as required by the code on reserves.

Because of that, Franca de Luca is predicting that the balance of reserves for 1990 will not be very different from the results for the first half of the year (2.8 billion). This means that for purposes of calculation, the amount extracted equaled the amount discovered, although the latter represents a larger potential.

Petrobras' discoveries in 1990 were concentrated in the central zone of the Campos Basin—right between the northern and southern zones, which already possess a production infrastructure—and in the Santos Basin. Those areas will therefore continue to be Petrobras' priorities in 1991.

Before the first half of January is over, however, the state-owned petroleum firm will resume its work in the shallow waters of the Campos Basin. It intends to drill wells under a depth of water ranging from 15 to 36 meters. Petrobras is producing at a depth of 492 meters off the Rio de Janeiro coast.

New Field

The field resulting from Well 4-RJS-440 was the fifth to be discovered in the central zone this year. The seismic work (a kind of X-ray of the subsoil) and other rock tests have indicated, for example, that there are 30 million barrels of oil, of which 9 million can actually be extracted. But considering everything done in the way of preliminary testing (the production test has not yet been conducted), the potential exists for reaching 120 million barrels if the neighboring areas are included. The new well, located 120 kilometers off the coast and at a water depth of less than 500 meters, has oil with an API [American Petroleum Institute] gravity of 27 degrees.

"Although 1990 was a difficult year with low investments, the success rate in the exploration area was over 50 percent," Franca de Luca commented, and he compared that to the worldwide average of 15 to 20 percent. Investments in the exploration area were set at \$672 million, compared to \$762 million in 1989. Domestic

production averaged 653,000 barrels per day, or more than the 616,000 recorded the year before.

* CNI Proposes Accord, Constitutional Revision

91SM0173A Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 6 Jan 91 p 5

[Article by Rolf Kuntz: "CNI Proposes Accord and Constitutional Revision."]

[Text] Orthodox, but not exactly—that describes the policy being advocated for 1991 by economists at the National Confederation of Industries (CNI). According to them, it will be easier to fight inflation and start creating jobs again—perhaps as early as the second half of the year—if there is a national accord on prices and wages. That accord, they add, should include the bases for a constitutional revision making it possible to go further with administrative reform. They do not provide the explanation, but what "going further with administrative reform" must mean, among other things, is more freedom to dismiss government employees. The 1988 Constitution guarantees job security for most government employees.

They concede that worsening recession may gradually lower the monthly inflation rates if there is neither a very bad harvest nor a disaster in the Persian Gulf. But "whatever happens," inflation is not likely to give ground unless it is possible to avoid the monthly indexing of prices and wages. Since that general indexing also depends on how successful the policy is—and on how much confidence there is among businessmen and workers—the government is going to be faced with a vicious circle.

A national accord will be the most effective means of breaking that circle or transforming it into a "virtuous circle," according to the reasoning set forth in the CNI's latest economic study, which is entitled "Brazilian Economy: Performance and Prospects." If an accord is reached, the fight against inflation will depend less on monetary policy—that is, on scarce and expensive money. In that case, credit can be facilitated and the conditions will exist for increasing production and employment. That is the best scenario outlined for 1991. In the worst scenario, the recession will grow worse, but inflation will not yield. And if that happens, the government may be led to relax its monetary policy, indexing will spread to all sectors, and inflation will soar.

For months the CNI's economists have been advocating the adoption of an income policy—that is, the coordination of prices and wages. The purpose of that policy, which will depend on a difficult-to-achieve agreement between businessmen, workers, and the government, will be to transform expectations and strengthen the effect of traditional or orthodox instruments. Those instruments are tax policy (adjusting public accounts) and monetary policy (controlling money and credit).

Since it will take time to reach a national agreement, the monetary and tax policies will have to be the main basis for the fight against inflation in 1991, according to the study. In any case, it will be essential to adjust the public accounts more completely and thoroughly. But the CNI's economists say that at best, the result in those accounts this year will probably be about the same as in 1990, even if the recent tax measures are implemented and a few more cutbacks in expenditure are made.

More Adjustments

As regards the federal government, Treasury expenditures reveal that "as yet there has been no structural adjustment." What "structural adjustment" means in the CNI study is a lasting reduction in the Treasury's financing requirements, something that is to be achieved by streamlining the machinery, increasing revenues, and reviewing the various groups of expenditures. The study says that one necessary step will be to find "a permanent solution to the problem of transfers to the states and municipalities." That "solution" is not specified, but transfers under the Constitution increased by 65 percent in real terms last year. Those responsible for the Union's finances say, however, that although the state and municipal governments have been receiving more money, they have not taken on any new responsibilities in terms of investments in education, health, and transportation, for example. Resolving the "question of transfers" would also involve a revision of the Constitution. The CNI's economists do not discuss the strong resistance that would probably be organized in Congress by the governors and mayors.

In their forecasts concerning the external accounts, the authors of the study take a rather unfavorable international situation into account. The rich countries will probably import less because of the recession, there may be an increase in protectionism if the deadlock in renegotiation of the General Agreement on Tariffs and Trade (GATT) is not overcome, and, lastly, there is the threat of war in the Persian Gulf. Domestically, the foreign exchange rate will probably be more favorable to exports than it was last year, in addition to which the government is again taking an interest in financing export firms. But the international recession and spending on petroleum may wind up giving us a smaller trade surplus than we had in 1990.

* Rapprochement With Iran in 1990 Viewed

91SM0186A Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Jan 91 p A-10

[Article by correspondent Roberto Lopes]

[Text] The Brazilian Government is proceeding on the theory that an Iraqi attack against Saudi Arabia would interrupt the flow of the 140,000 barrels a day of petroleum from that country to Brazil—and which represents about 30 percent of all the petroleum Petrobras buys abroad. Although the interministerial commission

that monitors the effects of the gulf crisis is convinced that the Saudis are well prepared to protect and repair their oil fields, the Ministry of the Infrastructure is analyzing an Iranian offer to double its exports to Brazil—to roughly 120,000 barrels a day.

That option could represent a real "turnabout" in Brasilia-Teheran relations, which until three years ago were considered by the Ministry of Foreign Relations as secondary—especially because of the close ties between Brazil and Iraq. The pace of the rapprochement between Brazil and Iran accelerated in 1990. FOLHA DE SAO PAULO has learned that, in the middle of last year during a working visit to Brazil—which included a visit to Petrobras in Rio—the son of Iranian President Ali Akbar Hashemi Rafsanjani made an extremely discreet visit to Sao Jose dos Campos (Sao Paulo State) to acquaint himself with the Brazilian armaments industry.

Also in 1990, Brazil's ambassador in London, Paulo Tarso Flexa de Lima—who, while he was Itamaraty's secretary for trade promotion set in motion the approximation with Iraq—backed an attempt by Eximbras, a Brazilian trading company based in London, to get Embraer [Brazilian Aeronautics Company] (a company connected with the Ministry of Aeronautics) to allow it to represent Embraer in the Middle East. One of the objectives of Wolfgang Sauer's Eximbras (Sauer was once head of Volkswagen in Brazil), was to intensify trade with Iran. The man who was then superintendent of Embraer, Ozilio Silva (replaced in that post last month), did not want to discuss the subject. He was in Europe when Sauer tried to reach him by telephone. Silva sent an Embraer director to talk to Sauer. Paulo Tarso even asked the help of a representative of the Israel military equipment industry who lived in Rio and was a good friend of Ozilio, but to no avail.

On Tuesday evening, the director of the BMG group in Brasilia, Rui Guerra, reported that part of a shipment of firebrick sent by the Magnesita company to Iraq—and which did not reach its destination because of the economic embargo decreed by the UN against Baghdad—had been accepted by Iran. Yesterday, Minister of Infrastructure Ozires Silva said that even in the event of a war, Iran would be able to ship its production "through a terminal in the south of the country, far from the straits of Ormuz that are near Iraq and exposed to the consequences of the military movements."

Ozires Silva was in Iran at the end of last year. "I had a lot of discussions about the gulf crisis. Both the president and the minister of petroleum told me that they are willing to raise Brazil to the status of a priority client for Iranian oil," he added. The infrastructure minister said that another key aspect of the government's concerns is the rise in the price per barrel caused by international speculation. "You remember that when Kuwait was invaded, the price of a barrel of oil exploded. We knew there would be no shortage of oil, but the speculators played their own game and were very successful at it for a while. Today we estimate that, in the event of war,

speculation would continue for about 30 days, but after that the consumer countries themselves would realize that Iraq is not strong enough to be able to threaten the oil fields in the region as a whole."

By Sunday, the interministerial commission will have finished drafting the presidential acts that will be available to President Fernando Collor de Mello for use in dealing with the effects of a conflict in the Persian Gulf. On Monday—the eve of the deadline set by the UN for the withdrawal of Iraqi troops from Kuwait—Collor will review the alternatives studied by the interministerial commission. The minister did not want to talk about fuel rationing for two reasons: first, he does not believe the war will interrupt the flow of oil from the Middle East, and second, he is afraid that the more nervous members of the public would begin a frantic search for gasoline and alcohol, and also start hoarding fuel at home, thus risking serious accidents.

FOLHA has learned that the measures studied by the interministerial commission that could be taken in event of war include some calling for a "rationalization" of airline, highway, and ocean transportation in order to save fuel. The idea would be to establish quotas for passenger and freight carriers. A quota system could also be adopted for the sale of bottled LP gas. Saudi Arabia is Brazil's chief foreign supplier of that product.

* Growth of Informal Economy in Rio Discussed

91SM0186B Rio de Janeiro O GLOBO in Portuguese
13 Jan 91 p 49

[Article by Liana Melo]

[Text] The losses in wage purchasing power and the desire to raise one's living standard are leading a sizable portion of Rio's middle class to try to supplement their family income by seeking out opportunities for work in addition to their principal occupation. Oddly enough, the ones who are migrating into the "informal economy" are those who already hold registered jobs. The workers most apprehensive about the economic situation are those who receive between four and seven minimum wages a month. The Institute of Municipal Planning (Iplan-Rio) has found that out of a universe of 2,242 Rio professionals and other workers surveyed last November, 21 percent (469 individuals) are moonlighting and the other 79 percent admit that they are already considering it.

The service sectors leads the list of fields where second jobs are to be found (56.8 percent), followed by sales (39.8 percent), and manufacturing (3.7 percent). The enormous demand for ready-to-wear clothing mystifies Armando Gomes Filho, director of the Department of Economic Development of Iplan-Rio, since the formal market in that sector is experiencing a serious crisis that has caused many firms to review their administrative structure and sent others into "concordata" [Chapter 11 bankruptcy].

The sharp increase in the number of "sacoleiras" [women peddlers] reinforces the theory, says Gornes, that consumers are being forced by the recession to change their habits. Today, the price of an item is more important than maintaining one's status by sporting clothing with designer labels. This means that shopping center employees and even consultants to big apparel firms in Rio are spending their free time selling clothes door-to-door.

The great majority of the representatives of the Rio middle class who have a second job (58 percent) live in the Zona Sul, in Tijuca, or in the Leopoldina area. This makes it clear that there is a strong local demand for work in sales and service-related activities. Correspondingly, the people who live on the outskirts of the city are least involved in moonlighting, mainly because of the time they have to spend traveling between home and job.

Another finding in the Iplan-Rio survey was that families with three or more dependents are increasingly resorting to the informal economy: only 17.5 percent of those who have no dependents have an extra job. That percentage rises to 23.6 percent for those who have two dependents, and jumps to 34 percent among those with four or more dependents. The survey also reveals a direct relationship pursuit of extra paid work and educational level: the higher the educational level, the greater the number looking for ways to supplement their wages. Of those who have a college degree, 40.9 percent are working in the informal economy; this falls to 36.7 percent for those who only completed high school, and to 22.4 percent for those who completed 8th grade.

The extra hours of work bring 53 percent of workers an increase in income of as much as 40 percent of the wage paid by their registered job. For 18 percent of respondents, this supplement is close to half (41 percent to 60 percent) of their monthly wage, and in 18 percent of the cases the additional income is double their fixed income. Lastly, 10 percent of moonlighting Rio residents say that the extra work accounts for a greater portion of their monthly income than the salary of their registered job.

Chile

Aylwin Says Rettig Committee Report 'Impressive'

PY2102233091 Santiago Radio Chilena Network
in Spanish 1600 GMT 21 Feb 91

[Nelson Oteiza report from La Moneda]

[Text] President Patricio Aylwin has labeled as impressive the contents of the report prepared by the National Truth and Reconciliation Commission on human rights violations that occurred during the military regime.

President Aylwin briefly commented on the issue as he arrived at La Moneda Palace this morning to officially resume activities after his vacation. He was asked

whether he had made any positive conclusions for the country after reading the report.

[Begin recording] [Aylwin] The truth is that the report is impressive, and we will make the contents of it known to you as well as our....

[Reporter, interrupting] [Question indistinct]?

[Aylwin] The speech of a.... [changes thought] We will announce it next week. [end recording]

President Aylwin noted that he will meet next week with congressional, military, and political representatives. He will then announce the date on which he will release the full contents of the Rettig report to the country.

Aylwin also said that the government will celebrate his first year in office with a small ceremony on 11 March.

This morning President Aylwin met with Interior Minister Enrique Krauss and Secretary General of Government Enrique Correa at Aylwin's private office on Amapolas Street. The officials reportedly commented to the president on their conclusions about the Truth and Reconciliation Commission's report. After the meeting Aylwin went to La Moneda Palace, where a group of Palace Guard Carabineros rendered the appropriate honors.

President Aylwin began his vacation on 2 February. On 8 February he came to Santiago for a short time to receive the Rettig Commission report. He then returned to the farm in the interior of Los Angeles where he was spending his holiday.

Argentine Police Reportedly Harassing Settlers

PY2102122691 Santiago Radio Cooperativa Network
in Spanish 2200 GMT 20 Feb 91

[Excerpt] Hugo Ortiz de Filippi, National Renewal senator for the 11th region, has charged that Argentine border police have entered Chilean territory to harass settlers of (Villa O'Higgins), especially those of (Campo de Hielo) and (Laguna del Desierto). He added that this action is part of a policy designed by the Argentine Foreign Ministry.

During a press conference, Ortiz said that because of a personnel shortage, Carabineros cannot play a more effective role along the border. He added that it is therefore necessary to expand the presence of the state in this area. [passage omitted]

People's Socialist Party Supports Rights Groups

PY2102131591 Santiago EL MERCURIO in Spanish
15 Feb 91 p C4

[Summary] The People's Socialist Party [Partido Socialista del Pueblo] was organized in the beginning of December 1990. According to its leaders, the party is

made up of socialist dissidents whose position is independent of the government and who define themselves as "socialists of the left."

According to its leader Lautaro Labbe, the party supports the request of human rights organizations that the names of individuals and institutions responsible for human rights violations during the dictatorial regime be made known.

Colombia

Justice Minister Views Constitutional Reform

PA2102155391 Bogota Radio Cadena Nacional
in Spanish 1200 GMT 20 Feb 91

[Telephone interview with Justice Minister Jaime Giraldo Angel by Juan Gozain, reporter identified as Cecilia, and unidentified reporter in Bogota—live]

[Text] [Cecilia] Mr. Minister, it seems you have some problems with foreign correspondents. The Association of Foreign Reporters signed a letter yesterday asking you to retract a statement you made yesterday. What can you tell us about that?

[Giraldo] I was asked yesterday by a radio station if it was true that foreign governments did not abide by or rejected the policy calling on drug traffickers to submit to the Colombian justice system. I said that was not true, but quite the contrary. We have received backing from foreign governments, chiefly from the U.S. Government. The United States has said that the important thing is that Colombia can try its own criminals and that the extradition procedure is merely a measure that is to be implemented in extraordinary cases should the Colombian justice be unable to achieve its purpose of adequately punishing its own criminals.

I said the news media distorted the remarks by foreign authorities. Perhaps I went a little too far by not pointing out specific examples or by talking in general terms about the foreign press. If you read the group's letter, you will see that they agree that newspapers like THE MIAMI HERALD carries virulent articles against the Colombian Government's policy. I have read articles in some newspapers that strongly, and in an exaggerated manner, state that the government policy of asking drug traffickers to submit to Colombian justice simply means the government has caved in to the drug traffickers. I am not lying when I say that. Nobody can deny that because it is a proven fact. Anybody can purchase a newspaper and read what it says. Perhaps, I went too far in referring to the foreign news media in an indiscriminate way. There certainly are newspapers that do not have a hostile attitude toward the Colombian measures. In fact, many news media, which unfortunately I am not aware of, may recognize Colombia's effort to fight the scourge of drug trafficking. That is what happened, and perhaps the matter is receiving much more attention that it deserves.

[Gozain] On the matter of extradition, the National Constituent Assembly has begun the debates on whether to keep this topic in the Constitution or to remove it, so that it will no longer exist as a weapon to fight drug trafficking. How do you feel about it? Should it be kept as a possibility or definitely removed?

[Giraldo] I think that issues related to foreign relations should not be included in a constitution because such inclusions create restrictions that later block normal international relations. This is what is happening, for example, with the concordat. The inclusion of issues involving relations between states in a constitution creates multiple legal entanglements that impede resolving any development not considered in the Constitution.

Constitutions are not drafted to resolve specific problems or to have validity for a couple of years. Constitutions are drafted to last. It would be great if we could have constitutions that could last 100 years.

The inclusion of foreign relations issues in the rigid framework of a constitution is not suitable, neither technically nor juridically. This is my opinion.

[Cecilia] Returning to the issue of your duspolemic with foreign reporters. Can we deduce, from what you have told this radio station, that you are not going to take back what you said yesterday about the foreign media in general, but that you are taking back what you said about the U.S. media?

[Giraldo] No. I am not recanting with regard to any media because there are articles that are even quoted by reporters. THE MIAMI HERALD articles, especially, are quoted. I know of articles published by other newspapers that twist the Colombian Government's policy on the implementation of justice. These are facts.

My exaggeration consisted in speaking about the media, both the domestic and the foreign media, in general. In this regard, I concede that perhaps I exaggerated, because I did not differentiate. I am sure there are newspapers that do understand our policy and cooperate with us and help us. We hope the world will understand the effort we are making to fight the drug-trafficking scourge.

The world should know that we are not promoting impunity but the reestablishment of Colombian institutional and legal order. It is irritating to find people who do not understand this, people who live here—because many reporters live here and send their reports from here—and who are seeing the kind of effort Colombia is making and still do not acknowledge it. I am referring to four or five cases I know. I cannot say I am recanting because the facts are there to see.

[Unidentified journalist] Some foreign correspondents say that in some cases their reports are not based on their

own analysis of information but on information provided by the Colombian media, which speaks of the government yielding too much and surrendering to drug-traffickers.

[Gozain] The Colombian media says the government is yielding. This is what some Colombian media are saying. This is what serves as a basis for some foreign correspondents' reports, Mr. Minister.

[Giraldo] It could be that the local media are helping distort the situation and create the lousy image we have abroad. I want to call on the national media to cooperate because we all want peace in the country. I think all Colombian citizens have the obligation to place the national interest above any other kind of interest.

[Unidentified journalist] Mr. Minister, you have admitted that this is a controversial measure, which has been criticized. What is the government's opinion? Why is the measure good or bad, in the short- or long-term?

[Giraldo] Persons who have committed crimes should be brought to justice. There can be no impunity. Neither I nor anybody else can imagine that a person can be released of responsibilities after having committed a crime. Don't you think that a country's institutional life has been well served if a government is able to have criminals admit their fault and surrender themselves to justice? The other two options would be: a continuation of the war as it was being waged or forgive and forget. Any of these last two options, as I see it, would kill institutionality and legal life in the country. I think that the policy of demanding that criminals surrender to justice is a successful policy.

[Gozain] Now that you have mentioned forgiving and forgetting, is it possible, Mr. Minister, that these people will benefit from a pardon in the future?

[Giraldo] There cannot be a pardoning for crime, except for political crimes envisaged in the constitution. This problem is so serious in the country's institutional life that if we were to say, as a result of undue pressure, that a certain action is not a crime, what moral authority would we have from that moment on to say we cannot do the same for any other kind of action? I think this is not just a circumstantial situation. I think this is an effort to reestablish the state of law. I think that in this endeavor, we have to [word indistinct], regardless of the price we may have to pay.

[Unidentified journalist] Mr. Justice Minister, is the government pleased with the results of the decrees, such as Decree 30-30 and complementary decrees, in spite of the fact that there has been no massive surrender of The Extraditables or drug-traffickers as it had been expected?

[Giraldo] Had we been giving away candies, all of them would have come en masse, but when a person knows he may be sent to prison, he will think twice before acting. This is elementary. The success of this policy lies in the fact that in spite of what surrender to justice means,

people as powerful as the Ochoa's are presenting themselves to the authorities. I think that this policy has been very successful. I am very pleased, and I think the country should also feel the same way, seeing that the country's legal institutions are recovering their domain.

[Unidentified journalist] Mr. Minister, you have said that the surrender of these people is a victory for Colombian justice and this is how analysts see it, but does Colombia's justice system have the structures, the elements, to bring criminals to trial? Is it prepared to bring them to court, as the people want?

[Giraldo] Yes sir. That is why before submitting to the justice mechanism, the government created the statute for the defense of justice. If you like, you can visit five sites we have in Bogota, Medellin, Barranquilla, Cali, and Cucuta, where judges are properly protected. There have been talks, even contemptuous talks, about faceless judges, but this is a mechanism to guarantee that no pressure will be exerted on the official responsible for deciding on this sort of matter. We hope there will be no more massacres of judges, as occurred in the past. We hope to have an independent and autonomous justice system. This has been done, and it was done because it was necessary to open the doors of the system. The way it was before, it would not have been possible to think in terms of people surrendering to justice because the justice system had no autonomy to make decisions.

[Gozain] Mr. Minister, to summarize what we have been discussing: If I were to have a newspaper headline on what you have just told Radio Cadena Nacional I would say: Quote, the Justice Minister Says: I admit I exaggerated when I generalized, but I am not recanting, unquote. Would that be correct?

[Giraldo] I admit that I exaggerated by generalizing, but in specific cases the facts are there for the people to see.

[Gozain] You are not recanting what you said?

[Giraldo] No. The facts are there. They have cited THE MIAMI HERALD which writes articles against the government's policies, and I have read in some other papers, whose names I do not remember right now, articles of the same nature.

[Unidentified journalist] Thank you, Mr. Minister. Have a nice day.

[Giraldo] Thank you.

EPL Signs Accord, Steps Toward Civilian Life

PA2202033891 Bogota EL TIEMPO in Spanish
17 Feb 91 p 8A

[Text] The return of members of the Popular Liberation Army (EPL) to civilian life will be carried out in three phases.

The government and the EPL signed an agreement on 8 February that provides for the group's definite return to

civilian life and demobilization. EL TIEMPO obtained a summary of this agreement.

The first phase is the transition stage during which government, non-government, and private institutions, as well as the EPL, will participate. According to the specifications of the agreement, this stage will last almost six months and provides for the development of formal education activities, professional-technical training, as well as business, cultural, and recreational counseling.

At the end of this six-month period, and after the rebels have abandoned the camps, the government will grant economic aid and overall health insurance contracted through a specialized firm.

The second phase is the encounter, the move back to civilian life. At this stage, the former rebels will initiate production projects. To achieve this, the rebels will be granted technical assistance and soft loans. Land will be provided through the agrarian reform program currently in force for the farming industry.

During this same period, the former rebels will be able to start or continue their higher education through a loan granted by Icetex, the Colombian Institute for Educational Loans and Technical Training Abroad [Instituto Colombiano de Credito Educativo y Estudios Tecnicos en el Exterior], to fund school registration and living expenses. Meanwhile, the former rebels will be given jobs in the private or government sectors. The government has agreed to undertake the necessary steps in this regard.

The last phase is follow-up and evaluation. The government will regulate the special fund of Law 35 of 1982 [not further identified] and will create a national office and four regional offices in Monteria, Medellin, Santander, and the Atlantic coast region.

Meanwhile, the agreement also specifies the tasks to be carried out by the International Supervisory Commission [Comision de Veeduria Internacional]. This commission will verify the rebels' total and definite disarmament and evaluate the reintegration efforts, the political guarantees offered to that organization, and the implementation of the development programs offered by the government.

A commission in charge of a program for overcoming violence consisting of five well-known persons of "acknowledged capability" in this field will be created, among other things.

Minister De La Calle Comments on War Tax

PA2102142691 Bogota Inravisión Television
Cadena 1 in Spanish 1730 GMT 20 Feb 91

[Text] Government Minister Humberto De La Calle said today that the war tax decreed by the national government does not offset the reduction in the defense budget announced by the Conpes [National Council on Economic and Social Policies]. He spoke to reporters before

entering the secret meeting at the Senate's Fourth Commission to discuss the military spendings and the public order situation.

[Begin recording] [De La Calle] No, I do not think it offsets the defense budget reduction. Fundamentally, these are specific taxes for the defense of the nation with regard to intelligence, the creation of new brigades, a special police corps, and the guarding of infrastructure facilities which have nothing to do with the large investments that Conpes has been studying and talking about.

[Unidentified reporter] The government has already expressed its concern for the escalation in terrorism in the country due to the rebel's violent actions, but now, the reactivation of the middle Magdalena region's self defense groups will be added to that. Are you also worried about that?

[De La Calle] Yes, that situation is worrisome. That front must be dealt with. I believe that is an extremely delicate point, in which the government must act in the same manner and with the same energy as it has with other fronts in this conflict afflicting Colombia. [end recording]

Army Takes 4 More FARC Camps, Kills 4 Rebels

PA2102220591 Mexico City NOTIMEX in Spanish
0123 GMT 21 Feb 91

[Text] Bogota, 20 Feb (NOTIMEX)—The Defense Ministry has reported that the Army occupied another four Revolutionary Armed Forces of Colombia (FARC) camps in actions in which four guerrillas lost their lives.

According to the official report, regular troops raided four guerrilla hideouts in Meta, Arauca, and Santander Departments and confiscated weapons, explosives, and other field equipment.

On 9 December the Army occupied the FARC'S general headquarters in the southern Uribe area, which unleashed a large-scale guerrilla offensive that resulted in more than 300 people dead and costly damage to the Colombian economy.

In a new attack, the guerrillas ambushed a military patrol at the rural Sogamoso area (180 km northeast of Bogota). An Army spokesman said that the military patrol was escorting 15 trucks. Two soldiers were killed fighting off the guerrillas, who entered the mountainous area.

The FARC announced that in the next few hours they will reply to the government's proposal on the date when the peace talks are to start. The peace talks will seek a political solution to the armed conflict.

*** Counterinsurgency Operations Create Ghost Towns**

91SM0185A Bogota EL ESPECTADOR in Spanish
21 Jan 91 p 12-a

[Article by Juan Guillermo Aldana]

[Text] All that is left in San Juan de Sumapaz are the men, a few dogs, the cold of the high plateau, a school

that is now a barracks, the guerrilla passages through the mountains, and all the fear and silence in the world. Of the 15 families that gave life to the town, only three incomplete ones remain.

The peasants were forced to abandon their plots of land there out of fear of a clash between the Army and the Revolutionary Armed Forces of Colombia (FARC).

Like a ghost town where the wind searches every nook and cranny for some memory of better days in this farm country, San Juan is now surrounded by a gigantic army of frailejon plants, rabbits, and sheep that had to be left behind by the residents because they did not fit in the convoys going "down" to Bogota.

And Santo Domingo, Cabrera, Duda, Lagunita, and El Palmar have been in the same situation as San Juan since last 17 December, when more than 2,000 people severed their ties of more than 30 years with the land of Sumapaz, fleeing the bombings and military actions conducted in search of guerrillas.

This was one of the routes used by the subversives to reach their camps. When the Army began its operations in Casa Verde, members of the XXV and XXVI Fronts of the FARC, primarily, escaped through this region. The flight of the guerrillas also prompted the exodus of the peasants.

San Juan, a farming town under the jurisdiction of Bogota, located nearly four hours from the capital on a dirt road, used to supply the city with beans, potatoes, peas, meat, milk, cheese, and butter. The capital would also buy wool from this wind-swept town that is in love with the color of the lofty pools that surround it. Crystal-clear waters trickle down the mountainsides amid the softness and resilience of the moss.

"We Have to Leave"

As he ties the load onto the beasts, eight children—his children—listen to him say that "it is very easy to understand what is happening here: We have to leave. As long as the Army stays here, we must go. Or tell me, what can I do with these children when a real battle breaks out if the guerrillas come by? Look at that little darling," and he points to a sad-eyed girl dressed in rags. "She's my youngest. I'm not going to let anything happen to them. We're going to Bogota."

In Santo Domingo, 9 kilometers from San Juan, only two families are left, and one of them has a counter that serves as a store. "Look all around you; you see nothing but that black dog. People left in fear, and we stayed behind because we have no place to go."

A man drives his mules along the side of the road, beside a stream that traces a green scrawl through the mountains. The mules are loaded with bundles and ducks, all he was able to take from the village. "Sure, the guerrillas

have come through here, but they try to keep anyone from finding out. Since the Army got here, we have had no peace. They raid all the houses and villages in the area and think everyone is a guerrilla. First came the bombings by helicopter, then the machine guns, and then came the soldiers."

The bus stops in front of one of the houses that were abandoned and padlocked. It has come from picking up peasants in various villages who want to get out of the region at all costs. "Sure, we have seen them, but they are only passing through. They will not find any guerrillas here. The bad part of it is that what we have left here is the fruit of many years of work. And what is really bad is that we have to go to the city, where anything that smacks of the countryside is a hindrance."

From Bad to Worse

Thirteen kilometers from San Juan, toward the capital of the republic, is Alto de Caicedo. It is a cheekbone jutting out from this thin, silent land.

Last 21 December, at 1600 hours, two army trucks ran into a minefield, say the locals. The upshot: two soldiers shot to death. The operation had to go on.

The peasants who arrived in Bogota across from the government offices of Cundinamarca last Thursday claimed that the military had found several dynamite sticks in the office of the local mayor, Luis German Bolivar. Since he took office six months ago, he has only visited the town three times, they say.

They say that the dynamite had been brought in by the previous local mayor, Jaime Garzon, to be used in the construction of a highway.

As a result of the current plight of the region of Sumapaz, economic losses and the delay of social development projects, which had been promoted by the community in conjunction with the government and private entities, have become the rule.

Projects such as the construction and improvement of access roads, the inter-regional electrification plan (at a cost of more than 2 billion pesos), the establishment of health centers, schools, cooperatives, and community stores—all have remained on the drawing board.

In addition, the price of an arroba [25 lbs.] of beef has fallen in the city's wholesale centers. Before the current situation arose, the price was 8,000 pesos, twice what the beef would fetch today if it were put on the market.

What About Peace?

Last 23 December the governor of Cundinamarca, Hernando Aguilera Blanco, flew to San Juan by helicopter. He listened to the peasants and responded that as far as he was concerned, the most important thing was to move forward on electrification, local aqueducts, and bridges. People wondered how all this would be possible without peace in the area.

For that reason, on 16 January of this year the farm workers of Sumapaz wrote a letter to Government Minister Humberto de la Calle Lombana calling for the central administration to intervene immediately "so that the military operations in the zone will cease and there will be respect for a region that has nothing to do with the conflicts being carried out by the guerrillas in other parts of the country."

Like the current local mayor, who said last week at the main mayoral headquarters in Bogota that he would not return to San Juan until the situation improved, the doctor who was treating residents of San Juan and surrounding villages packed up and left.

The only person who did not leave was the priest, because there never was one there. There was just a priest who would come around to talk to the people in the villages every once in a while. Neither San Juan nor Santo Domingo has a chapel where people can pray in their fear.

At night, when the military patrols begin their rounds through the villages, the few inhabitants left close their eyes so that their sparkle will not be confused with the rain of the plateau.

Quietly, fearful that a clash will begin, they sit and wait for the day when they will no longer be in this situation, which deprives them of happiness, divides families, compounds tragedy, and does not add up to peace [Sumapaz means "adds up to peace"].

* National Security Adviser on Role; Policy

91SM0185B Bogota EL ESPECTADOR in Spanish
6 Jan 91 p 7-a

[Interview with National Security Adviser Rafael Pardo Rueda by Ignacio Gomez G. and Carlos A. Moreno; place and date not given]

[Text] When Cesar Gaviria arrived at the Casa de Narino, not only did he confirm the validity of that strange figure known as the presidential adviser, but he increased the number of such persons. And among the new "ministers without portfolio" appeared a new one whose function no one understood: the national security adviser.

Rafael Pardo Rueda, the "coordinator of the armed agencies of the state," in contrast, did not arrive at the Casa de Narino; he remained in it. What was needed was someone who understood the guerrilla process—and he had been a peace adviser in the previous administration—well enough to grasp everything related to all others who generate violence in this country.

For him, security and defense are problems that involve the entire state as well as society, which has always remained aloof in that regard.

[EL ESPECTADOR] During its short lifetime, what results has the Advisory Office obtained?

[Pardo Rueda] I think beginning ... Although the legal basis for the existence of the Advisory Office is old, the organization is new. These four months have been spent putting together a good working team and establishing contacts with the various state organizations with which the Advisory Office must relate. The team is made up of officers from the Armed Forces and the police, officials of the Administrative Department of Security (DAS), and four or five consultants from other entities or from academia.

[EL ESPECTADOR] How does the Advisory Office operate?

[Pardo Rueda] The National Security Council meets each week, when possible. It deals with issues that are prepared by the various units in the Council, which may include medium- or long-term plans, or urgent issues that require immediate consideration.

The role of the Advisory Office is to bring various analyses to the Council and to serve as its secretariat.

[EL ESPECTADOR] But what are the specific functions of the Advisory Office?

[Pardo Rueda] The Advisory Office is equivalent to the Secretariat of National Defense, which, according to the National Defense Law of 1968, is the top decision-making body in the area of security.

That is the function to which the Advisory Office is devoted. But in addition, it is fulfilling the specific mission indicated by President Cesar Gaviria of coordinating a comprehensive policy against violence.

That is why we have devoted ourselves to designing medium-term policies that involve action by all state institutions—not just the Armed Forces but social and economic agencies as well—in specific programs at the national or regional levels to counter violence of any type.

This function is being carried out through the various sectional security committees, because the plans coordinated by the Advisory Office are going to be implemented in each department.

Regional Solutions

[EL ESPECTADOR] In other words, they are ad hoc plans to solve the problems of violence, rather than long-term policies.

[Pardo Rueda] They are medium-term policies aimed at getting at the structural roots of the violence.

We do not pretend to solve all the problems of violence, but we do think that through a coordinated action by the state, we can reduce its effects and repercussions at the regional level.

It is a comprehensive policy because it involves all the institutions of the state, even though its implementation is regional. The idea is that the regional approach is the

most appropriate because, with very few exceptions in Colombia, there are no situations of violence which can be generalized. Each region has very specific peculiarities that must be taken into account to find the right solution. There are very few universal solutions.

The first step is for the departmental security councils to come up with a very quick diagnosis: identify the areas that are affected by the different types of violent characteristics that may exist.

[EL ESPECTADOR] If these are the medium-term prospects, what are the long-term ones?

[Pardo Rueda] The function of the Advisory Office is determined by the law. We cannot say that its objectives are short-term or long-term. There is an ongoing function, which all advisory offices have, and that is to coordinate the overall policy against violence. The need for this function was seconded by the delegates to the Constituent Assembly.

[EL ESPECTADOR] Does the Advisory Office have specific proposals for the Constituent Assembly?

[Pardo Rueda] No. We do not have anything different from what will be presented by the president.

A New Theory of National Security

[EL ESPECTADOR] An intellectual who claimed to be an external consultant to the Advisory Office announced at the Symposium on Violence in Colombia that the possibility of forming a single military bloc with the Andean countries is being studied. What is your view of that prospect?

[Pardo Rueda] There is a continent-wide discussion of concepts of national and regional security, but there are different opinions on the matter, not only on the part of each country but also coming from different schools of thought.

Discussions are under way regarding new concepts of national security and continental security. This discussion derives from the need to revise our thinking now that the so-called "cold war" is over. Nevertheless, as far as I know, no refined theory is available to serve as an alternative.

This discussion is worth following or supplementing, or at least it should be made public in Colombia for now.

[EL ESPECTADOR] In these countries, should that discussion not be oriented toward the need to reduce armies and unite blocs?

[Pardo Rueda] The problem is that the size of the public force in Colombia is determined by the country's internal problems, not by the need for continental security. That conclusion does not apply in Colombia.

[EL ESPECTADOR] But the discussion of a new theory of National Security does have to do with Colombia. Is the Advisory Office working on an alternative to this doctrine?

[Pardo Rueda] As I said, that is a continent-wide discussion that is just beginning and is taking place at the theoretical level.

[EL ESPECTADOR] The Colombian Armed Forces are operating under a theory of national security, meaning that they have a specific idea of who the internal enemy is. This has made possible practices that violate human rights. Is the Advisory Office working on plans to eradicate these ideas from our Armed Forces?

[Pardo Rueda] I think it is exaggerated to attribute a specific behavior of the agents of the state to a security doctrine dating back the 1960s in an effort to explain an internal situation as an extension of the external conflict. It does not make much sense to say that the violation of human rights is due to a prevailing doctrine in the Armed Forces.

We must go to the real root of the problem and not give too much weight to a 30-year-old idea. The thinking of the agents of the state is in keeping with the country's specific situation and its historical realities; it does not derive from an attempt to copy a theory.

I Am Not a Civilian Minister

[EL ESPECTADOR] Has the Advisory Office been viewed by the government as an immediate step toward a civilian defense minister?

[Pardo Rueda] I do not know what else I can say to convince people that this is not true. The Advisory Office is an entity created by President Gaviria to activate the secretariat of the National Defense Council. This is not a path carved out for a civilian in the Civil Defense Ministry. I have run out of arguments to convince people this is not so ...

[EL ESPECTADOR] But why the dilemma? Is the country afraid of a civilian defense minister?

[Pardo Rueda] I think that for the last 30 or 40 years, the fact that the general with the highest seniority has been appointed defense minister in Colombia means that this mechanism has been good for both the Armed Forces and the government. I know of no argument against that mechanism. I do not know what type of problem something different would solve for the country or for the Armed Forces.

[EL ESPECTADOR] What about the argument of meeting the need for civilian society to deal with military problems?

[Pardo Rueda] That is a very good argument, but not for asking the general with the most seniority to step down as defense minister.

I agree that civilian society must be much more closely involved with the problems of security, defense, and public order. Because I think the academic and political sectors, and civilian society in general, have always remained aloof from this problem. We do not see the universities trying to graduate students trained in matters of security, defense, or public order, and this is one of the most important problems in Colombia. There is not even a non-governmental academic organization at a high level in the country that has any ongoing involvement in studying this type of issue.

We at the Advisory Office also intend to promote this type of discussion, to promote the training of all kinds of people in this issue.

Paraguay

Chilean Foreign Minister Signs Agreement

PY2102163891 Asuncion ABC COLOR in Spanish
21 Feb 91 p 11

[Text] Paraguayan Foreign Minister Alexis Frutos Vaesken and his Chilean counterpart Enrique Silva Cimma yesterday signed two agreements which reflect the decision of their governments to consolidate mutual cooperation. One of the agreements is related to technical cooperation for the "Promotion and Development of Exports," and the other will give impulse to the "Development of Telecommunications" between the two countries.

The bilateral agreements were signed at the Foreign Ministry in the presence of General Porfirio Pereira Ruiz Diaz, retired, the public works and communications minister, Industry Under Secretary Ubaldo Scavone, and other officials.

To carry out the "Promotion and Development of Exports" agreement, Paraguay has assigned the task to the Exports Promotion Department of the Paraguayan Foreign Ministry and Chile has assigned it to their International Economic Relations General Directorate through the Exports Promotion Directorate, "Pro Chile." The two organizations will exchange information related to trade prospects in the international market, seeking to sell their products.

The two governments will also appoint at least one commercial attache in their respective embassies to help coordinate actions, and the necessary mobilization of human and material resources.

Regarding the "Cooperation for the Development of Telecommunications" agreement, the two governments will continue to exploit the telephone, telegraph, and telex services, and will try to implement new services, taking advantage of the new technology in this field.

The two foreign ministers, Alexis Frutos Vaesken and Enrique Silva Cimma, also met with local businessmen yesterday to coordinate future steps to strengthen trade between the two countries.

Following the achievement of these significant agreements, a decision was made to call a meeting of the Paraguayan-Chilean Mixed Commission (which has not met since 1984) for late next May to promote commercial agreements on goods and services, reciprocal investments, and to manage all aspects of bilateral interest.

Ministry To Grant Visas to East Bloc Citizens

PY1502020291 Asuncion ABC COLOR in Spanish
15 Feb 91 p 11

[Text] Dr. Oscar Cabello Sarubbi, Foreign Ministry under secretary for general affairs, announced yesterday that the Foreign Ministry will facilitate the visa system for Soviet citizens who want to enter Paraguayan territory, thus putting an end to the well-known restrictions on the admission of travelers from those latitudes.

This information was supplied by Cabello Sarubbi after he received in his office Aleksandr Georgiyevskiy, first secretary of the Soviet Embassy in Buenos Aires, and Oleg Naalitov, Soviet vice consul in Argentina. Yesterday these visitors went to the Foreign Ministry to report on their "unofficial" visit to our country to establish direct ties and propose the initiation of a trade relationship between the two states.

In this respect, the under secretary pointed out: "There will no longer be any restrictions on granting visas to the visitors who come from Eastern countries. They will be subject to the same regulations applicable to citizens of any part of the world; that is, their entry must conform to our immigration laws."

For their part, the Soviet visitors were pleased to receive this information, and they expressed their country's interest in quickly developing an enhanced relationship with our country. They also recalled that the USSR has never restricted the entry of Paraguayan citizens.

Taiwan Donates Planes, Engines to Air Force

PY2102160491 Asuncion ABC COLOR in Spanish
21 Feb 91 p 6

[Summary] President General Andres Rodriguez has visited the Air Tactical Group facilities where he inspected the parts of six T-33 planes and the three engines for C-47 planes that Taiwan has donated to the Paraguayan Air Force. This donation was made during President Rodriguez's visit to that country in mid-1990.

Peru

President Fujimori Addresses New Cabinet

PY2202021091 Lima RTP Television Network
in Spanish 0100 GMT 21 Feb 91

[Text] During a meeting with the new cabinet presided over by Prime Minister Carlos Torres y Torres Lara, President Alberto Fujimori reiterated that the economic plan will continue unchanged.

[Begin recording] [Fujimori] I want to reiterate that this restructuring of the cabinet does not mean any changes will be made to the master guidelines of any aspect of our policy. Corrections clearly will have to be made, but they will be made only to correct some parameters that may not fall within the framework of our goals. We must remind you that this is being done because we are not stubborn or dogmatic, but firm.

It is in this phase that I welcome you, Minister Carlos Torres y Torres Lara, as well as Ministers De Los Heros and Carlos Bolona, and tell you that we will continue our flexible, open door policy of listening to the suggestions of the public. As we promised in the beginning, we are always listening to all the political and productive forces of the country. We want a clear national understanding, out in the open, without the traditional manipulations or behind-closed-doors agreements behind the backs of the people. Therefore, Mr. Ministers, since you are now installed, I want to confirm our goal of seeking the reconstruction of the country. I hereby declare this session open.

[Torres y Torres Lara] Mr. President, I want to inform you that we met (yesterday) to analyze part of the program we will implement following the master guidelines. We discussed the main priority areas. Our goal is to emphasize the people's participation through consultations and, as a basic measure, to give more emphasis to the issues of violence and pacification.

Another priority issue is to make external and domestic changes to pay our social debt to the people within a policy of rationalization and economic discipline, which, along with a policy of supporting social development, will be necessary to maintain the program that is being carried out.

We also discussed several other subjects connected with the people's participation and the structural reforms that must be carried out. We studied some alternatives to ask Congress for special facilities to issue the basic legal dispositions to put the country on a normal course. We have also considered it convenient to establish a basis for certain essential norms to restructure the state apparatus and state companies.

Those were the essential points we discussed, Mr. President, and we can now begin to discuss specific issues. Some nominations have been proposed and they must be discussed by the Council of Ministers. [end recording]

Government Begins Drug Negotiations With U.S.

*PY2102145891 Lima RTP Television Network
in Spanish 0100 GMT 21 Feb 91*

[Text] Peru has begun concrete negotiations with the United States over a comprehensive struggle against drug trafficking within the framework of the Fujimori doctrine. This was disclosed today by Hernando De Soto, the president of the Freedom and Democracy Institute, after a meeting at Government House with the chief of state.

President Fujimori discussed this subject during a separate meeting with Peruvian Ambassador to the United States Roberto Maclean Ugarteche, who in early March will go to the United States to assume his diplomatic duties.

[Begin De Soto recording] Today, during the meeting with the president of the Republic we discussed an agreement with the United States on drug trafficking according to the proposal that comes within the framework of the Fujimori doctrine. We are past the consultation stage because we have already started concrete negotiations with U.S. authorities.

[Unidentified reporter] What issues are you negotiating?

[De Soto] Well, obviously there are various issues. As you well know, President Fujimori had requested that the drug trafficking problem be tackled in a comprehensive manner. The president has said that it is not merely a police, military, or security problem, it is also a problem of development and politics, a financial problem, a problem that requires the peasants' participation in the decisions taken. This request, as you know, was accepted by President George Bush in a letter, dated 9 February I think, addressed to President Fujimori, in which he agrees that the problem be tackled in a comprehensive manner and in which he says that negotiations should start immediately.

[Reporter] When will this project, which has already been accepted by the U.S. Government, materialize?

[De Soto] Well, the U.S. Government has accepted the guidelines on which President Fujimori wishes to negotiate. That is, that the problem not be focused solely from a military and police point of view. Therefore, President Fujimori has submitted a proposal to President Bush's administration. It is a proposal and a draft for the bilateral agreement. This proposal was assessed in Washington. During my recent visit to that city, together with Minister Carlos Bolona, I had the chance to discuss it with U.S. authorities. We will continue these talks in Peru today.

[Reporter] Does the Peruvian proposal modify the Cartagena Agreement?

[De Soto] No, it is in keeping with the Cartagena Agreement in the sense that this agreement provides several development tools. It is different, however, in

that it specifies how the problem of the struggle against drug trafficking is linked to development. It is no longer a broad working plan but rather specific ways in which the Peruvian and U.S. authorities should coordinate their activities to make their struggle against drug trafficking effective.

[Reporter] Does this plan rule out any military aid?

[De Soto] No, it does not rule out military aid nor the financing of military or police equipment, it just includes it in a comprehensive plan. In other words, Peru finds it difficult to accept the substitution or eradication of the coca plantations without offering the peasants an effective alternative. Moreover, Peru also proposes that the substitution or alternative developments not only entail different crops but also different export opportunities. As you know, during Mrs. Fujimori's recent visit to Europe, where she visited representatives of private enterprises, a multinational board was established. In other words, more than five large multinational European enterprises united to start talks with President Fujimori to offer markets for Peruvian products that would create alternative jobs for those who give up their coca plantation. The first official talks with the president will probably start during the first or second week of March. In other words, the idea of alternative development not only stems from a dialogue with the U.S. Government but also from a dialogue with European countries and especially, in this case, with private European and Japanese enterprises. [end recording]

United Left Senator's House Bombed; No Injuries

*PY2202024091 Lima RTP Television Network
in Spanish 0100 GMT 22 Feb 91*

[Text] United Left [IU] Senator Jorge del Prado escaped unharmed from an attack by three terrorists who threw a grenade at his house. The explosion only caused property damage.

Today at 0930 alleged terrorists attacked the house of IU Senator Jorge del Prado at 890 General Silva Street, San Antonio, Miraflores District. According to witnesses, two men and a woman passing by in a black Volkswagen—possibly a 1981 model—threw a dynamite charge at the second floor of the house, where the senator's studio is located. The senator was working there as usual at the time of the explosion. Fortunately, the explosion did not cause any injuries, although it did cause property damage.

[Begin recording] [Del Prado] Well, I was working, arranging my papers before leaving for my office downtown, and suddenly I heard a noise at the window and then I heard the explosion. I realized right then it was a bomb.

[Unidentified reporter] Was your family injured, Senator?

[Del Prado] No, my family was not injured. The bomb only caused a lot of property damage. All the doors and windows were blown away.

[Reporter] Have you received any threats recently?

[Del Prado] I often receive threats from the Shining Path. They always identify themselves as members of the Shining Path, but the latest threat came after I returned from Ayacucho on 19 February. I received a threat having to do with my trip to Ayacucho. They asked me why I went there, why I was dedicated to strengthening the reform. They told me that I would pay a heavy price, that I should not let my guard down. I told them to go to hell, as always. [end recording]

Terrorists Kill Eight People in Ayacucho

PY2102140291 Madrid EFE in Spanish 0207 GMT 21 Feb 91

[Text] Ayacucho (Peru), 20 Feb—Police sources today reported that alleged members of the Shining Path terrorist organization have killed eight people during the first two days of this week in townships in the Ayacucho Department.

The sources added that relatives of two youths from Ayacucho reported their disappearance eight days ago while travelling to the zone of Huaytar, from where the youths were expected to have immediately returned to Ayacucho.

The bodies of five men and two women, riddled with bullets, were found today in Tapuna, 80 km from Ayacucho. According to police sources these people were murdered by Shining Path terrorists on 18 February.

On 19 February, terrorists killed businessman Marcial Lozano near Santa Rosa, in the Apurimac River valley, in the northeastern part of this Andean township. Lozano was linked with the civilian militias known as "peasant defense patrols" who oppose the rebel groups.

According to figures released by a congressional commission, the political violence has claimed the lives of more than 20,000 people in Peru since the Shining Path terrorist organization began its armed struggle 11 years ago.

Swiss Government Donates Cholera Medicines

PY2202013091 Lima RTP Television Network in Spanish 1800 GMT 21 Feb 91

[Excerpts] The Swiss disaster relief organization has donated serum and bags of saline solution to fight cholera. Three epidemiology and bacteriology specialists have also arrived. Another shipment of Swiss aid is due to arrive on 24 February. The three well-known Swiss doctors, who arrived early today, will actively take part in the effort to fight the cholera epidemic affecting our country. [passage omitted]

[Begin recording] [Unidentified speaker] The aid the Swiss Government is giving to the Peruvian Health Ministry through the Swiss disaster relief organization basically consists of human resources. As you can see, three doctors have just arrived.

[Unidentified reporter] Are they specialists?

[Speaker] They are specialists in epidemiology and bacteriology. The Swiss aid also includes medicines, especially serum and the famous bags of saline solution with which everyone is familiar. The doctors have brought a small initial quantity of medicine. Another shipment of medicines is due to arrive on 24 February, and I believe this shipment will include 32 boxes of materials and medical equipment. The Swiss Government's aid is worth approximately 250,000 Swiss francs. [end recording]

Guyana

Government Presents Budget, Devalues Dollar

FL2002222591 Bridgetown CANA in English 2202 GMT 20 Feb 91

[Urrell Wilkinson report]

[Text] Georgetown, Guyana, Feb 20, CANA—The Guyana Government on Wednesday devalued its official exchange rate by over 50 per cent to unify the rate with the prevailing free market parallel rate. The measure was one of a number of major fiscal and monetary changes announced by Finance Minister Carl Greenidge as he presented a G 17.6 billion dollar 1991 budget to a National Assembly sitting boycotted by the three opposition parties.

The devaluation and rate unification are effective Thursday and are expected to carry up the prices of fuel, one of few activities previously conducted at the lower official rate of 45 Guyana dollars to one U.S. dollar. With the devaluation, the official exchange rate will be 101.75 Guyana dollars to one U.S.

The rate will be "adjusted on a weekly basis in line with movements of the cambio market," Greenidge said. The exchange rate for customs assessment will move "in sympathy," and fuel payments, sugar imports and external official debt service, export receipts from sugar, and bauxite will be effected at the rate determined weekly, Greenidge added.

Government earlier had announced a 50 per cent public sector wages increase, conditional on the state of central government finances.

Greenidge unveiled a new income tax regime exempting workers earning up to 48,000 dollars a year. The previous cut-off point was 10,000 dollars. Some consumption tax relief measures, and increases in some indirect taxes and fees were announced as well as a 2.5 percentage point rise in the bank rate—from 30 to 32.5 per cent.

Greenidge said personal incomes above 48,000 dollars per annum would be charged at lower rates than previously.

The new income tax regime "...Means that workers, particularly in the lower income bracket, will pay considerably less personal income tax than they did in 1990," Greenidge said, making his eighth consecutive budget presentation.

With the changes, however, "all personal allowances and deductions are to be withdrawn effective from the year of income commencing Jan 1, 1991," he added.

Several of the higher consumption taxes are being reduced from 50 per cent to 40 per cent, with the aim of lowering prices of refrigerators, plywood, and ready-made garments, among other items. The tax on motorcars of 1600 cc capacity and less is being reduced from 50 to 30 per cent. A 1 per cent export duty introduced less than a year ago will be abolished, Greenidge said.

But steep increases were announced in the fees for cambio licences, and airport departure tax, while a new 5 per cent duty will be imposed on the personal effects of remigrants. Efforts will be made to achieve greater cost recovery in the education system. The airport departure tax is to rise from 165 dollars to 1,000 dollars, or approximately U.S.10 dollars, to "bring guyana's tax more in line with its main Caricom [Caribbean Community] partners," Greenidge said. Licences to operate the free currency market cambios will cost 250,000 dollars, up from the previous 100,000.

"From September, 1991, an attempt will be made to recover some of the cost of the services utilised by students at secondary, technical and vocational schools, and the University of Guyana. In addition, a nominal charge will be made for exercise books," Greenidge said, without elaboration. In 1976, the government abolished fees for all levels of education from primary to university and later commenced free distribution of exercise and basic text books. Declining economic performance for several years has been reflected in declining physical facilities at schools, and reduced availability of exercise and text books from the free distribution programme.

Reviewing the performance of the economy last year, the second year of the economic recovery programme supervised by the International Monetary Fund (IMF), Greenidge reported another decline. Domestic production of goods and services fell 3.9 per cent in 1990, against a targeted increase of 3.1 per cent, he said.

Increases in agricultural and mining production had been expected to contribute to the projected rise in output or Gross Domestic Product (GDP) but sugar production fell to a record low of 130,000 tonnes. Bauxite output was also 15 per cent below target, and its actual revenue, 22 per cent below forecast, helped to reduce the effect of increased gold production.

Controversial Voter Registration Exercise Begins

FL1802235591 Bridgetown CANA in English
1813 GMT 18 Feb 91

[Text] Georgetown, Guyana, Feb 18, CANA—The Guyana Government on Monday launched a controversial national registration exercise, aimed at compiling a new voters list for forthcoming elections.

Opposition parties continued raising objections. Co-leader of the Working People's Alliance (WPA) Dr. Rupert Roopnarine said his party does not "think too much" of the registration exercise. The arrangements were "clearly hastily scrambled together and it is obvious that the national registration office is not ready to carry out such an exercise," Roopnarine told CANA. He said his party's chief and deputy chief scrutineers had received their identification cards only this morning from the elections commission. The cards permits opposition-appointed scrutineers to accompany enumerators to observe their actions.

The main opposition People's Progressive Party (PPP) has petitioned former United States President Jimmy Carter to send an observer mission to monitor the enumeration exercise because it feels the government is deliberately seeking to frustrate the electoral process and lay the groundwork for fraudulent elections. Media reports said President Carter, who has monitored elections in several countries, plans to send a mission shortly after the exercise.

Coalition Seeks Election Observers From Caricom

FL1402151091 Bridgetown CANA in English
1246 GMT 14 Feb 91

[Text] Georgetown, Guyana, Feb 14, CANA—A grouping of opposition parties in Guyana is calling for other Caribbean Community [Caricom] member countries to send observers here for the next general election and discuss the poll at an informal heads of government conference in Trinidad.

Secretary of the Patriotic Coalition for Democracy [PCD], Gail Texeira, said the PCD is "appealing" to other regional heads to have Guyana's elections—a date for which is yet to be fixed—placed on the agenda of the Trinidad meeting on February 26. The PCD has been canvassing for an official invitation from Caricom to send a mission to the meeting so it can present a case for free and fair elections in Guyana. However, Texeira said that the coalition will still send a mission if not officially invited.

The coalition said that it welcomed Caricom's monitoring of elections in Haiti, Panama, and Nicaragua, but complained that the region appears set to turn a blind eye to what could be another fraudulent election. The Guyana Government has repeatedly rejected claims that it rigs elections.

The coalition has written former United States President Jimmy Carter inviting him to return to Guyana to observe the registration of voters exercise, scheduled to

begin Monday. Carter visited Guyana in October last year and won a number of electoral reform concessions for the opposition parties. However, the political parties have accused the government of planning to ignore the concessions.

IDB Loan To Aid Rice, Sugar Industries

*FL1502125591 Bridgetown CANA in English
1156 GMT 15 Feb 91*

[Text] Georgetown, Guyana, Feb 15, CANA—Guyana has received a U.S. 27 million dollar loan from the Inter-American Development Bank (IDB) to finance inputs for the country's rice and sugar industries. The funds will be used to buy items including machinery, equipment, implements, spare parts, and chemicals needed to help reverse falling production in the industries, minister in the Agriculture Ministry Vibert Parvatan told CANA.

Parvatan said the loan is an "emergency" measure to keep the industries going until Guyana can secure a sector loan. The funds will be disbursed in roughly equal amounts to the two industries.

Paravatan said that tractors, combine harvesters, implements, vehicle batteries, and chemicals will be imported by June for the rice industry. The rice industry has suffered from reduced foreign demand, "blast" plant disease, lack of equipment and spares, and deteriorated drainage and irrigation systems.

The sugar sector, plagued by industrial unrest, unseasonal rainfall, and loss of manpower, last year had its worst performance in nearly a decade, with production of 129,920 tons. Guyana failed to satisfy its 167,000 ton European Community sugar quota for a second successive year and also failed to use a 30,000 ton U.S. quota. The sugar industry has targeted production of 137,630 tons this year and expects to again fall short of its EC and U.S. quotas.

Public Service Workers Receive Pay Raise

*FL1802171091 Bridgetown CANA in English
2215 GMT 16 Feb 91*

[Text] Georgetown, Guyana, Feb 16, CANA—Guyana's public service workers have been granted a 50 per cent across-the board pay increase. The hike was announced by the Public Service Ministry which said that the increases are effective from last January 1. Payments are scheduled to begin on Thursday.

However, the new wage package does not apply to sugar, bauxite and workers within the public corporations group, formerly called Guystac [Guyana State Corporation]. Sugar workers received a similar wage hike recently, while bauxite workers are always paid more than public sector workers.

The Public Service Ministry, which is to be dissolved shortly as part of the public service reform programme, also announced that new income tax deduction tables have been prepared to ensure that the correct amount of income tax is deducted from the increased salaries. The government, it said, is also considering the payment of "market supplements" to certain categories of officers.

The increase comes out of some 250 recommendations made by British consultancy firm Peat Marwick McLintock, which is advising the government on its restructuring programme. Low salaries and poor working conditions were among the main reasons given by the British firm for the high turnover rate of workers from the public to the private sector. Workers in state-owned corporations have not qualified for the increase.

Prison Conditions Reportedly 'National Crisis'

*FL1302222191 Bridgetown CANA in English
2008 GMT 13 Feb 91*

[Text] Georgetown, Guyana, Feb, 13, CANA—The Guyana Human Rights Association (GHRA) on Tuesday said prison conditions here constituted a national crisis, with starvation and AIDS producing high levels of deaths.

In a statement, the GHRA said there was "a dangerously high incidence" of the AIDS virus among inmates of the Georgetown prisons. Quoting unnamed experts, the human rights group further described the prison as a "bridge" taking the AIDS virus from high risk groups in an environment with high homosexual activity to families and contacts of prisoners on their release.

"Continued complacency by the government, judiciary, and the population at large over sub-human conditions prevailing in prison will result in a similar incidence spreading to the general population", the GHRA said. The human rights group called for a series of emergency measures to reduce the prison population to manageable proportions.

Efforts to contact home affairs minister, Stella Odie-Ali, proved futile, but permanent secretary, Fairbairn Liverpool, said the GHRA's statements were "erroneous and misleading." Liverpool said that he was preparing a response which will be released this weekend.

The GHRA, which has close connections with the church, accused the Home Affairs Ministry of violating laws, international instruments, and prison rules. The prisons fall under the Ministry.

The recommendations included immediate suspension of mandatory remand for persons charged with drug-related offences, clearing a backlog of remand prisoners, and allowing prisoners to receive food from family and friends. The GHRA also called for permission for a feeding programme to be mounted by reputable charitable and humanitarian organisations for inmates whose relatives and friends are unable to provide them with adequate nutrition.